

KAMIESBERG

MUNICIPALITY



FINANCIAL STATEMENTS

30 JUNE 2020

KAMIESBERG MUNICIPALITY

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KAMIESBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

GENERAL INFORMATION

NATURE OF BUSINESS

Kamiesberg Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Kamiesberg Municipality includes the following areas of Garies, Hondeklipbaai, Kamassies, Kheis, Kharkams, Kamieskroon, Klipfontein, Koiingnaas, Leliefontein, Lepelsfontein, Nourivier, Paulshoek, Rooifontein, Soebatsfontein, Spoegrivier and Tweerivier.

MUNICIPAL MANAGER

RC Beukes

CHIEF FINANCIAL OFFICER

TE Diphokoje

REGISTERED OFFICE

Private Bag X200
Garies
8220

AUDITORS

Auditor-General
Private Bag X5013
KIMBERLEY
8300

PRINCIPLE BANKERS

First National Bank

ATTORNEYS

Schreuders

WEBSITE

www.kamiesberg.gov.za

KAMIESBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

GENERAL INFORMATION

RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

MEMBERS OF THE KAMIESBERG MUNICIPALITY

WARD

1
2
3
4
Proportional
Proportional
Proportional

COUNCILLOR

LE Petersen
MC Rooi
SC Nero
MJ Cloete
H Steenkamp
AM Engelbrecht
M Hanekom

KAMIESBERG MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2020, which are set out on pages 5 to 95 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board. As per Government Gazette no. 43582 dated 5 August 2020, National Treasury has granted municipalities a two-month extension regarding the submission of annual financial statements. The municipality has taken advantage of this exemption.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2021 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

RC Beukes
Municipal Manager

Date

KAMIESBERG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

	Notes	2020 R	2019 R
ASSETS			
Non-Current Assets		240 121 031	246 804 353
Property, Plant and Equipment	2	215 092 441	221 783 899
Investment Property	3	24 950 918	24 950 918
Intangible Assets	4	72 272	64 136
Heritage Assets	5	5 400	5 400
Current Assets		13 625 403	10 981 652
Inventory	6	216 362	205 199
Receivables from Exchange Transactions	7	1 945 470	1 726 980
Receivables from Non-exchange Transactions	8	1 903 046	998 225
Taxes	17.3	7 544 984	5 597 775
Cash and Cash Equivalents	9	2 015 541	2 453 473
Total Assets		253 746 434	257 786 005
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		23 930 384	25 123 437
Long-term Borrowings	10	195 449	187 760
Non-current Provisions	11	20 760 935	21 665 886
Non-current Employee Benefits	12	2 974 000	3 269 791
Current Liabilities		54 109 342	42 032 050
Consumer Deposits	13	1 512 736	1 503 375
Current Employee Benefits	14	2 780 881	2 299 835
Trade and Other Payables from Exchange Transactions	15	42 570 633	31 805 053
Unspent Transfers and Subsidies	16	7 041 640	5 590 209
Current Portion of Long-term Borrowings	10	203 452	833 578
Total Liabilities		78 039 726	67 155 487
Net Assets		175 706 708	190 630 518
Accumulated Surplus/(Deficit)		175 706 708	190 630 518
Total Net Assets and Liabilities		253 746 434	257 786 005

KAMIESBERG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 R	2019 R
REVENUE			
Revenue from Non-exchange Transactions		55 623 116	60 341 459
Taxation Revenue		11 128 566	8 314 143
Property Rates	18	11 128 566	8 314 143
Transfer Revenue		42 176 305	47 805 539
Government Grants and Subsidies	19	42 154 741	47 773 039
Public Contributions and Donations	20	21 564	32 500
Other Revenue		2 318 245	4 221 777
Actuarial Gains	12	783 946	303 923
Fines, Penalties and Forfeits		3 200	7 403
Operational Revenue	26	1 531 099	3 910 451
Revenue from Exchange Transactions		22 292 274	21 319 590
Service Charges	21	13 847 614	13 413 715
Sales of Goods and Rendering of Services	22	38 508	94 318
Rental from Fixed Assets	23	89 218	104 457
Interest Earned - External Investments	24	194 956	412 483
Interest Earned - Exchange Transactions	25	8 121 490	6 711 468
Licences and Permits		488	229 412
Agency Services		-	353 736
Total Revenue		77 915 390	81 661 049
EXPENDITURE			
Employee related costs	27	(27 420 995)	(24 140 458)
Remuneration of Councillors	28	(2 622 212)	(2 484 177)
Contracted Services	29	(2 565 862)	(4 720 544)
Depreciation and Amortisation	30	(18 521 312)	(18 256 929)
Finance Costs	31	(4 339 674)	(3 396 379)
Bulk Purchases	32	(11 373 491)	(9 339 090)
Inventory Consumed	6.1	(2 792 117)	(1 766 191)
Transfers and Subsidies		-	(19 697)
Operational Costs	33	(6 909 140)	(8 099 422)
Total Expenditure		(76 544 801)	(72 222 886)
Operating Surplus/(Deficit) for the Year		1 370 589	9 438 163
Reversal of Impairment Loss/(Impairment Loss) on Receivables	34	(16 430 146)	(14 267 144)
Gains/(Loss) on Sale of Fixed Assets	35	390 435	15 501
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	36	(254 687)	-
Fair Value Adjustments on Financial Instruments		-	(3 042 857)
NET SURPLUS/(DEFICIT) FOR THE YEAR		(14 923 810)	(7 856 336)

KAMIESBERG MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Surplus/ (Deficit) R	Total R
Balance at 1 July 2018	180 269 165	180 269 165
Correction of Error - note 38.7	18 217 689	18 217 689
Restated balance	198 486 854	198 486 854
Net Surplus/(Deficit) for the year	(7 856 336)	(7 856 336)
Net Surplus/(Deficit) previously reported	(6 812 956)	(6 812 956)
Effects of Correction of Errors - note 38.8	(1 043 381)	(1 043 381)
Restated balance at 30 June 2019	190 630 518	190 630 518
Net Surplus/(Deficit) for the year	(14 923 810)	(14 923 810)
Balance at 30 June 2020	175 706 708	175 706 708

KAMIESBERG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 R	2019 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		1 040 182	109 283
Service Charges		2 665 199	1 684 708
Other Revenue		2 075 296	4 732 278
Government - Operating		24 651 086	35 425 383
Government - Capital		18 955 086	13 180 000
Interest		8 316 446	7 123 950
Cash payments			
Suppliers and Employees		(40 190 065)	(41 202 896)
Finance Charges		(2 668 205)	(1 726 979)
Net Cash from Operating Activities	39	14 845 024	19 325 727
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(14 633 810)	(22 636 307)
Purchase of Intangible Assets		(36 069)	(11 530)
Net Cash from Investing Activities		(14 669 879)	(22 647 837)
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowing - Long term/Refinancing		-	19 304
Increase/(Decrease) in Consumer Deposits		9 362	11 457
Repayment of Borrowing		(622 438)	(922 709)
Net Cash from Financing Activities		(613 076)	(891 948)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(437 931)	(4 214 058)
Cash and Cash Equivalents at the beginning of the year		2 453 473	6 667 531
Cash and Cash Equivalents at the end of the year	40	2 015 541	2 453 473
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(437 932)	(4 214 058)

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

	Notes	Original Budget R	Budget Adjustments (i.t.o. s28 and s31 of the MFMA) R	Final Adjustment Budget R	Shifting of Funds (i.t.o. s31 of the MFMA) R	Virement (i.t.o. Council approved by- law) R	Final Budget R	Actual Outcome 2020 R	Actual Outcome as % of Final Budget %
ASSETS									
Current Assets									
Cash		5 251 947	1 767 053	7 019 000	-	-	7 019 000	1 091 182	-84.45%
Call Investment Deposits		2 024 000	84 000	2 108 000	-	-	2 108 000	924 359	-56.15%
Consumer Debtors		2 686 319	-	2 686 319	-	-	2 686 319	3 848 516	43.26%
Other Debtors		680 956	3 496 044	4 177 000	-	-	4 177 000	7 544 984	80.63%
Current Portion of long-term receivables		-	-	-	-	-	-	-	0.00%
Inventory		309 145	-	309 145	-	-	309 145	216 362	-30.01%
Total Current Assets	43.2.1	10 952 367	5 347 097	16 299 464	-	-	16 299 464	13 625 403	-16.41%
Non-Current Assets									
Long-term Receivables		-	-	-	-	-	-	-	
Investments		-	-	-	-	-	-	-	
Investment Property		24 109 767	(40 767)	24 069 000	-	-	24 069 000	24 950 918	3.66%
Investment in Associates		-	-	-	-	-	-	-	
Property, Plant and Equipment		193 463 440	3 212 973	196 676 413	-	-	196 676 413	215 092 441	9.36%
Agricultural Assets		-	-	-	-	-	-	-	
Biological Assets		-	-	-	-	-	-	-	
Intangible Assets		30 154	147 346	177 500	-	-	177 500	72 272	-59.28%
Other Non-Current Assets		5 400	-	5 400	-	-	5 400	5 400	0.00%
Total Non-Current Assets	43.2.2	217 608 761	3 319 552	220 928 313	-	-	220 928 313	240 121 031	8.69%
TOTAL ASSETS		228 561 128	8 666 649	237 227 777	-	-	237 227 777	253 746 434	6.96%
LIABILITIES									
Current Liabilities									
Bank Overdraft		-	-	-	-	-	-	-	
Borrowing		19 814	-	19 814	-	-	19 814	203 452	926.81%
Consumer Deposits		1 546 350	-	1 546 350	-	-	1 546 350	1 512 736	-2.17%
Trade and Other Payables		7 534 455	2 252 338	9 786 793	-	-	9 786 793	49 612 273	406.93%
Provisions		1 897 221	216 779	2 114 000	-	-	2 114 000	2 780 881	31.55%
Total Current Liabilities	43.2.3	10 997 840	2 469 117	13 466 957	-	-	13 466 957	54 109 342	301.79%
Non-Current Liabilities									
Borrowing		8 126 390	(2 100 000)	6 026 390	-	-	6 026 390	195 449	-96.76%
Provisions		21 514 333	(212 433)	21 301 900	-	-	21 301 900	23 734 935	11.42%
Total Non-Current Liabilities	43.2.4	29 640 723	(2 312 433)	27 328 290	-	-	27 328 290	23 930 384	-12.43%
TOTAL LIABILITIES		40 638 563	156 684	40 795 247	-	-	40 795 247	78 039 726	91.30%
NET ASSETS									
Accumulated Surplus		187 922 565	8 509 965	196 432 530	-	-	196 432 530	175 706 708	-10.55%
Reserves		-	-	-	-	-	-	-	
TOTAL NET ASSETS	43.2.5	187 922 565	8 509 965	196 432 530	-	-	196 432 530	175 706 708	-10.55%

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

			Budget Adjustments (i.t.o. s28 and s31 of the MFMA) R	Final Adjustment Budget R	Shifting of Funds (i.t.o. s31 of the MFMA) R	Virement (i.t.o. Council approved by- law) R	Final Budget R	Actual Outcome 2020 R	Actual Outcome as % of Final Budget %
Notes	Original Budget R		R	R	R	R	R	R	
REVENUE									
Property Rates	10 389 049		907 951	11 297 000	-	-	11 297 000	11 128 566	-1.49%
Service Charges - Electricity Revenue	9 673 294		-	9 673 294	-	-	9 673 294	7 732 697	-20.06%
Service Charges - Water Revenue	4 386 092		-	4 386 092	-	-	4 386 092	3 358 564	-23.43%
Service Charges - Sanitation Revenue	1 816 950		-	1 816 950	-	-	1 816 950	1 443 285	-20.57%
Service Charges - Refuse Revenue	1 764 238		-	1 764 238	-	-	1 764 238	1 313 068	-25.57%
Rental of Facilities and Equipment	189 959		-	189 959	-	-	189 959	89 218	-53.03%
Interest Earned - External Investments	11 642		142 037	153 679	-	-	153 679	194 956	26.86%
Interest Earned - Outstanding Debtors	4 306 325		-	4 306 325	-	-	4 306 325	8 121 490	88.59%
Dividends Received	-		-	-	-	-	-	-	-
Fines	1 997		-	1 997	-	-	1 997	3 200	60.24%
Licences and Permits	1 531		-	1 531	-	-	1 531	488	-68.13%
Agency Services	-		-	-	-	-	-	-	0.00%
Transfers Recognised - Operational	27 283 000		39 000	27 322 000	-	-	27 322 000	13 789 276	-49.53%
Other Revenue	2 077 808		0	2 077 808	-	-	2 077 808	2 375 117	14.31%
Gains on Disposal of PPE	-		-	-	-	-	-	390 435	100.00%
Total Revenue (excluding capital transfers and contributions)									
43.3.1	61 901 885		1 088 988	62 990 873	-	-	62 990 873	49 940 360	-20.72%
EXPENDITURE									
Employee Related Costs	25 329 748		(799 859)	24 529 889	-	-	24 529 889	27 420 995	11.79%
Remuneration of Councillors	2 765 464		-	2 765 464	-	-	2 765 464	2 622 212	-5.18%
Debt Impairment	8 131 475		-	8 131 475	-	-	8 131 475	16 430 146	102.06%
Depreciation and Asset Impairment	16 859 533		-	16 859 533	-	-	16 859 533	18 521 312	9.86%
Finance Charges	1 454 876		0	1 454 876	-	-	1 454 876	4 339 674	198.28%
Bulk Purchases	12 032 382		(1 018 382)	11 014 000	-	-	11 014 000	11 373 491	3.26%
Other Materials	2 106 720		1 180 875	3 287 595	-	-	3 287 595	2 792 117	-15.07%
Contracted Services	3 023 123		(1 308 990)	1 714 133	-	-	1 714 133	2 565 862	49.69%
Transfers and Grants	-		-	-	-	-	-	-	0.00%
Other Expenditure	8 034 152		(1 086 914)	6 947 238	-	-	6 947 238	6 909 140	-0.55%
Loss on Disposal of PPE	-		-	-	-	-	-	254 687	-
Total Expenditure									
43.3.2	79 737 473		(3 033 270)	76 704 203	-	-	76 704 203	93 229 635	21.54%
Surplus/(Deficit)									
	(17 835 588)		4 122 258	(13 713 330)	-	-	(13 713 330)	(43 289 275)	215.67%
Transfers Recognised - Capital	7 553 000		9 000 000	16 553 000	-	-	16 553 000	28 365 465	71.36%
Contributions Recognised - Capital	-		-	-	-	-	-	-	-
Contributed Assets	-		-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions									
	(10 282 588)		13 122 258	2 839 670	-	-	2 839 670	(14 923 810)	-625.55%
Taxation	-		-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation									
	(10 282 588)		13 122 258	2 839 670	-	-	2 839 670	(14 923 810)	-625.55%
Attributable to Minorities	-		-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality									
	(10 282 588)		13 122 258	2 839 670	-	-	2 839 670	(14 923 810)	-625.55%
Share of Surplus/(Deficit) of Associate	-		-	-	-	-	-	-	-
Surplus/(Deficit) for the year									
	(10 282 588)		13 122 258	2 839 670	-	-	2 839 670	(14 923 810)	-625.55%

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Original Budget R	Budget Adjustments (i.t.o. s28 and s31 of the MFMA) R	Final Adjustment Budget R	Shifting of Funds (i.t.o. s31 of the MFMA) R	Virement (i.t.o. Council approved by- law) R	Final Budget R	Actual Outcome 2020 R	Actual Outcome as % of Final Budget %
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
		7 791 787	281 557	8 073 344	-	-	8 073 344	1 040 182	-87.12%
	Taxation	7 791 787	281 557	8 073 344	-	-	8 073 344	1 040 182	-87.12%
	Service Charges	16 425 768	(883 206)	15 542 562	-	-	15 542 562	2 665 199	-82.85%
	Other Revenue	2 531 576	(260 576)	2 271 000	-	-	2 271 000	2 075 296	-8.62%
	Government - Operating	27 283 000	39 000	27 322 000	-	-	27 322 000	24 651 086	-9.78%
	Government - Capital	7 553 000	9 000 000	16 553 000	-	-	16 553 000	18 955 086	14.51%
	Interest	11 642	142 037	153 679	-	-	153 679	8 316 446	5311.57%
	Dividends	-	-	-	-	-	-	-	
Payments									
	Suppliers and Employees	(53 775 437)	6 534 446	(47 240 992)	-	-	(47 240 992)	(40 190 065)	-14.93%
	Finance costs	(1 468 085)	13 085	(1 455 000)	-	-	(1 455 000)	(2 668 205)	83.38%
	Transfers and Grants	-	-	-	-	-	-	-	
Net Cash from/(used) Operating Activities	43.4.1	6 353 251	14 866 342	21 219 593	-	-	21 219 593	14 845 024	-30.04%
CASH FLOW FROM INVESTING ACTIVITIES									
Receipts									
	Proceeds on disposal of PPE	-	-	-	-	-	-	-	
	Decrease/(Increase) in Non-Current Debtors	-	-	-	-	-	-	-	
	Decrease/(Increase) in Other Non-Current Receivables	-	-	-	-	-	-	-	
	Decrease/(Increase) in Non-Current Investments	-	-	-	-	-	-	-	
Payments									
	Capital Assets	(7 553 000)	(9 250 000)	(16 803 000)	-	-	(16 803 000)	(14 669 879)	-12.69%
Net Cash from/(used) Investing Activities	43.4.2	(7 553 000)	(9 250 000)	(16 803 000)	-	-	(16 803 000)	(14 669 879)	-12.69%
CASH FLOW FROM FINANCING ACTIVITIES									
Receipts									
	Short Term Loans	-	-	-	-	-	-	-	
	Borrowing long term/refinancing	-	-	-	-	-	-	-	100.00%
	Increase/(Decrease) in Consumer Deposits	76 350	(350)	76 000	-	-	76 000	9 362	-87.68%
Payments									
	Repayment of Borrowing	(176 783)	(217)	(177 000)			(177 000)	(622 438)	251.66%
Net Cash from/(used) Financing Activities	43.4.3	(100 433)	(567)	(101 000)	-	-	(101 000)	(613 076)	507.01%
NET INCREASE/(DECREASE) IN CASH HELD									
	Cash and Cash Equivalents at the year begin:	(1 300 182)	5 615 775	4 315 593	-	-	4 315 593	(437 931)	-110.15%
		8 576 129	(6 123 129)	2 453 000			2 453 000	2 453 473	0.02%
	Cash and Cash Equivalents at the year end:	7 275 947	(507 354)	6 768 593	-	-	6 768 593	2 015 542	-70.22%

INSERT ACCOUNTING POLICY

See word document

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2020

	Cost						Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Correction of Error	Depreciation	Disposals	Impairment	Closing Balance	
Infrastructure													
Roads	132 781 089	-	-	373 010	-	133 154 099	77 093 423	-	4 485 041	-	-	81 578 464	51 575 635
Electricity	57 389 194	-	2 292 286	249 990	-	59 931 471	26 090 230	-	3 000 756	-	254 687	29 345 673	30 585 798
Water Supply	122 363 642	-	6 559 808	973 399	-	129 896 848	42 511 908	-	5 483 167	-	-	47 995 075	81 901 773
Sanitation	15 326 820	-	-	-	-	15 326 820	5 452 042	-	842 934	-	-	6 294 976	9 031 845
Solid Waste	21 624 106	-	(2 099 997)	-	-	19 524 110	2 744 570	-	2 133 641	-	-	4 878 211	14 645 899
Solid Waste Infrastructure	1 627 620	-	476 422	-	-	2 104 042	743 323	-	241 026	-	-	984 349	1 119 693
Landfill Sites	19 996 486	-	(2 576 419)	-	-	17 420 068	2 001 247	-	1 892 614	-	-	3 893 861	13 526 206
	349 484 852	-	6 752 097	1 596 399	-	357 833 348	153 892 173	-	15 945 538	-	254 687	170 092 398	187 740 950
Community Assets													
Community Facilities													
Centres	70 868	-	-	-	-	70 868	28 347	-	7 087	-	-	35 434	35 434
Cemeteries/Crematoria	828 247	-	-	-	-	828 247	275 539	-	68 885	-	-	344 424	483 824
Parks	120 645	-	-	-	-	120 645	22 391	-	6 460	-	-	28 851	91 793
Outdoor Facilities	1 791 452	-	-	3 252 115	-	5 043 568	820 356	-	187 520	-	-	1 007 876	4 035 691
	2 811 212	-	-	3 252 115	-	6 063 328	1 146 634	-	269 951	-	-	1 416 585	4 646 742
Land and Buildings													
Other Land	4 257 471	-	-	-	-	4 257 471	-	-	-	-	-	-	4 257 471
Operational Buildings	25 174 137	-	-	-	-	25 174 137	7 120 545	-	1 254 578	-	-	8 375 123	16 799 014
	29 431 608	-	-	-	-	29 431 608	7 120 545	-	1 254 578	-	-	8 375 123	21 056 485
Other Assets													
Computer Equipment	412 247	-	91 195	-	(8 115)	495 326	357 727	-	32 651	(8 115)	-	382 263	113 063
Furniture and Office Equipment	1 342 983	-	123 900	-	(41 761)	1 425 123	1 083 408	-	105 055	(40 982)	(44)	1 147 437	277 685
Machinery and Equipment	1 308 666	-	-	-	(5 828)	1 302 838	1 041 969	-	87 021	(5 828)	-	1 123 162	179 676
Transport Assets	2 560 166	-	-	-	-	2 560 166	2 237 579	-	145 426	-	-	2 383 005	177 161
	5 624 062	-	215 095	-	(55 703)	5 783 453	4 720 684	-	370 152	(54 924)	(44)	5 035 867	747 586.0
Leases													
Furniture and Office Equipment	1 018 138	-	241 685	-	-	1 259 823	707 465	-	202 201	-	-	909 666	350 158
Transport Assets	2 099 358	-	-	-	-	2 099 358	1 097 831	-	451 007	-	-	1 548 838	550 521
	3 117 497	-	241 685	-	-	3 359 182	1 805 296	-	653 208	-	-	2 458 503	900 678.2
Total	390 469 231	-	7 208 877	4 848 514	(55 703)	402 470 918	168 685 332	-	18 493 427	(54 924)	254 643	187 378 477	215 092 441

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2.2 30 JUNE 2019

	Cost/Revaluation						Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Correction of Error	Depreciation	Disposals	Impairment	Closing Balance	
Infrastructure													
Roads	122 541 559	438 154	9 801 376	-	-	132 781 089	72 674 640	-	4 418 782	-	-	77 093 423	55 687 666
Electricity	56 953 772	(479 688)	915 111	-	-	57 389 194	23 118 903	4 743	2 966 584	-	-	26 090 230	31 298 964
Water Supply	103 261 939	7 285 406	33 614 374	(21 798 077)	-	122 363 642	37 378 673	2 363	5 130 872	-	-	42 511 908	79 851 733
Sanitation	15 326 820	-	-	-	-	15 326 820	4 611 124	-	840 918	-	-	5 452 042	9 874 779
Solid Waste	23 935 050	(3 395 352)	1 084 408	-	-	21 624 106	7 214 091	(6 693 929)	2 224 407	-	-	2 744 570	18 879 536
Solid Waste Infrastructure	1 627 620	-	-	-	-	1 627 620	520 163	-	223 160	-	-	743 323	884 297
Landfill Sites	22 307 430	(3 395 352)	1 084 408	-	-	19 996 486	6 693 929	(6 693 929)	2 001 247	-	-	2 001 247	17 995 239
	322 019 139	3 848 520	45 415 270	(21 798 077)	-	349 484 852	144 997 432	(6 686 822)	15 581 563	-	-	153 892 173	195 592 680
Community Assets													
Community Facilities													
Centres	70 868	-	-	-	-	70 868	21 260	-	7 087	-	-	28 347	42 521
Cemeteries/Crematoria	828 247	-	-	-	-	828 247	206 654	-	68 885	-	-	275 539	552 708
Parks	120 645	-	-	-	-	120 645	15 932	-	6 460	-	-	22 391	98 253
Outdoor Facilities	1 791 452	-	-	-	-	1 791 452	632 836	-	187 520	-	-	820 356	971 096
	2 811 212	-	-	-	-	2 811 212	876 683	-	269 951	-	-	1 146 634	1 664 578
Land and Buildings													
Other Land	4 546 102	(288 631)	-	-	-	4 257 471	-	-	-	-	-	-	4 257 471
Operational Buildings	25 174 137	-	-	-	-	25 174 137	5 865 968	-	1 254 578	-	-	7 120 545	18 053 591
	29 720 239	(288 631)	-	-	-	29 431 608	5 865 968	-	1 254 578	-	-	7 120 545	22 311 062
Other Assets													
Computer Equipment	412 247	-	-	-	-	412 247	319 868	-	37 859	-	-	357 727	54 519
Furniture and Office Equipment	1 337 197	-	5 786	-	-	1 342 983	972 248	-	111 160	-	-	1 083 408	259 575
Machinery and Equipment	1 210 930	-	97 736	-	-	1 308 666	955 035	-	86 934	-	-	1 041 969	266 697
Transport Assets	2 560 166	-	-	-	-	2 560 166	2 072 281	-	165 298	-	-	2 237 579	322 587
	5 520 540	-	103 522	-	-	5 624 062	4 319 432	-	401 252	-	-	4 720 684	903 378
Leases													
Furniture and Office Equipment	998 834	-	19 304	-	-	1 018 138	508 742	-	198 723	-	-	707 465	310 673
Transport Assets	2 099 358	-	-	-	-	2 099 358	592 250	-	505 580	-	-	1 097 831	1 001 528
	3 098 192	-	19 304	-	-	3 117 497	1 100 993	-	704 303	-	-	1 805 296	1 312 201
Total	363 169 323	3 559 889	45 538 096	(21 798 077)	-	390 469 231	157 160 508	(6 686 822)	18 211 646	-	-	168 685 332	221 783 899

		2020 R	2019 R
2.	PROPERTY, PLANT AND EQUIPMENT		
	See previous sheet		
	page 1		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
2.3 Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure Assets	2 501 386	904 988
Roads	373 010	-
Electricity	249 990	-
Water Supply	1 878 386	904 988
Community Assets	5 754 185	2 502 069
Total Property, Plant and Equipment under construction	8 255 571	3 407 057
The movements for the year can be reconciled as follows:		
Balance at beginning of year	3 407 057	30 746 928
Correction of Error	-	(743 135)
Project not unbundled in periods before 1 July 2018	-	(71 150)
Operating Expenditure recognised as capital under construction in periods before 1 July 2018	-	(671 985)
	3 407 057	30 003 793
Expenditure during the year	13 959 194	22 567 785
Assets unbundled during the year	(9 110 680)	(49 164 521)
Previously stated	-	(46 490 364)
Completed project not unbundled in 2018/2019	-	(2 674 157)
Balance at end of year	8 255 571	3 407 057
2.4 There is no Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected.		
2.5 There is no Property, Plant and Equipment where construction or development has been halted.		
2.6 Expenditure incurred to repair and maintain Property, Plant and Equipment:		
Other materials	573 835	371 978
Contracted Services	360 777	372 191
Total Repairs and Maintenance	934 612	744 169
2.7 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	8 109 098	3 189 893
Infrastructure	8 109 098	3 189 893
Total	8 109 098	3 189 893
This expenditure will be financed from:		
Government Grants	8 109 098	3 189 893
Total	8 109 098	3 189 893
	2020 R	2019 R
3. INVESTMENT PROPERTY		
3.1 Net Carrying amount at 1 July	24 950 918	25 032 808
Cost	24 950 918	24 062 690
Correction of Error - Note 38.2	-	970 118
Accumulated Depreciation	-	-
Additions	-	-
Disposal	-	(81 890)
Net Carrying amount at 30 June	24 950 918	24 950 918
Cost	24 950 918	24 950 918
Accumulated Depreciation	-	-
3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property	-	-
The municipality has no Investment Property which is in the process of being constructed or developed.		
The municipality has no Investment Property that is taking a significantly longer period of time to complete than expected.		
The municipality has no Investment Property where construction or development has been halted.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
4. INTANGIBLE ASSETS		
Net Carrying amount at 1 July	64 136	97 826
Cost	370 177	358 647
Accumulated Amortisation	(306 041)	(260 822)
Accumulated Impairment Loss	-	-
Additions	36 069	11 530
Amortisation	(27 934)	(45 219)
Disposals	-	-
Net Carrying amount at 30 June	72 272	64 136
Cost	406 246	370 177
Accumulated Amortisation	(333 975)	(306 041)
Accumulated Impairment Loss	-	-

No intangible asset were assed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There age no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

5. HERITAGE ASSETS

Net Carrying amount at 1 July	5 400	5 400
Cost	5 400	5 400
Accumulated Impairment Loss	-	-
Additions	-	-
Disposals	-	-
Net Carrying amount at 30 June	5 400	5 400
Cost	5 400	5 400
Accumulated Impairment Loss	-	-

Heritage assets consists of 3 x short magazine Lee Enfield (SMLE) MK3 Rifles.

There are no restrictions on the realisability of Heritage Assets or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.

There are no Heritage Assets pledged as security for liabilities

There are no Heritage Assets that are used by the municipality for more than one purpose.

6. INVENTORY

Consumables	143 909	122 895
Water	72 453	82 304
Total Inventory	216 362	205 199

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

6.1 Inventories recognised as an expense during the year:

Consumables	2 669 285	935 524
Materials and Supplies	122 833	830 667
Total	2 792 117	1 766 191

No inventories were pledged as security for liabilities.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	8 428 749	8 072 411
Water	25 192 294	20 679 852
Waste Management	10 486 966	9 165 835
Waste Water Management	5 854 874	5 063 956
Other Arrears	14 779 545	13 208 312
Total: Receivables from exchange transactions (before provision)	64 742 428	56 190 367
Less: Provision for Debt Impairment	(62 796 958)	(54 463 387)
Total: Receivables from exchange transactions (after provision)	1 945 470	1 726 980
Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.		
The fair value of receivables approximate their carrying value.		
<u>(Electricity): Ageing</u>		
Current (0 - 30 days)	230 139	329 856
31 - 60 Days	225 345	184 478
61 - 90 Days	183 934	178 014
+ 90 Days	7 789 331	7 380 064
Total	8 428 749	8 072 411
<u>(Water): Ageing</u>		
Current (0 - 30 days)	419 283	428 865
31 - 60 Days	418 635	354 401
61 - 90 Days	421 255	352 235
+ 90 Days	23 933 122	19 544 351
Total	25 192 294	20 679 852
<u>(Waste Management): Ageing</u>		
Current (0 - 30 days)	191 039	166 965
31 - 60 Days	182 400	159 338
61 - 90 Days	174 549	153 432
+ 90 Days	9 938 979	8 686 100
Total	10 486 966	9 165 835
<u>(Waste Water Management): Ageing</u>		
Current (0 - 30 days)	168 850	137 063
31 - 60 Days	155 243	124 676
61 - 90 Days	142 441	115 258
+ 90 Days	5 388 339	4 686 959
Total	5 854 874	5 063 956
<u>(Other): Ageing</u>		
Current (0 - 30 days)	139 694	131 481
31 - 60 Days	137 997	128 965
61 - 90 Days	137 282	128 248
+ 90 Days	14 364 573	12 819 619
Total	14 779 545	13 208 312
<u>(Total): Ageing</u>		
Current (0 - 30 days)	1 149 005	1 194 230
31 - 60 Days	1 119 620	951 857
61 - 90 Days	1 059 460	927 186
+ 90 Days	61 414 343	53 117 093
Total	64 742 428	56 190 367

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	54 463 387	47 118 051
Contribution to provision	7 246 584	6 387 248
VAT on provision	1 086 988	958 087
Balance at end of year	62 796 958	54 463 387

Ageing of amounts past due but not impaired:

1 month past due	796 465	532 750
2+ months past due	-	-
	796 465	532 750

8. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	42 930 491	33 341 574
Other Receivables	664 055	164 587
	43 594 545	33 506 161
Less: Provision for Debt Impairment	(41 691 499)	(32 507 936)
Total Receivables from non-exchange transactions	1 903 046	998 225

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

(Rates): Ageing

Current (0 - 30 days)	766 426	505 370
31 - 60 Days	708 059	502 937
61 - 90 Days	688 033	473 346
+ 90 Days	40 767 972	31 859 920
Total	42 930 491	33 341 574

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	32 507 936	24 628 041
Contribution to provision	9 183 563	7 879 895
Balance at end of year	41 691 499	32 507 936

Ageing of amounts past due but not impaired:

1 month past due	708 059	502 937
2+ months past due	530 933	330 701
	1 238 992	833 638

9. BANK ACCOUNTS**Cash and Cash Equivalents**

Current Accounts	1 091 182	537 738
Previously stated	-	345 169
Current Account balances disclosed as Call Deposits and Investments in 2018/2019	-	192 569
Call Deposits and Investments	924 359	1 915 735
Previously stated	-	2 108 303
Current Account balances disclosed as Call Deposits and Investments in 2018/2019	-	(192 569)
Total Cash and Cash Equivalents - Assets	2 015 541	2 453 473

The municipality has the following bank accounts:

Current Accounts

First National Bank - Account Number 620 2250 1440 (Primary Bank Account):	1 091 182	537 738
	1 091 182	537 738

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
Call Deposits and Investments		
First National Bank - Account Number 62012466018:	4 460	-
First National Bank - Account Number 62182751729:	233 000	756 828
First National Bank - Account Number 62117682791:	8 593	8 891
First National Bank - Account Number 74282299369:	329 809	311 441
First National Bank - Account Number 71053360915:	165 099	154 166
First National Bank - Account Number 71059354764:	183 398	171 253
Investec - Account Number 1100528298621:	-	513 156
	924 359	1 915 735
Details of current account is as follow:		
First National Bank - Account Number 620 2250 1440 (Primary Bank Account):		
Cash book balance at beginning of year	537 738	420 502
Cash book balance at end of year	1 091 182	537 738
Bank statement balance at beginning of year	125 413	180 469
Bank statement balance at end of year	317 587	125 413
Details of call investment accounts are as follow:		
First National Bank - Account Number 62012466018:		
Cash book balance at beginning of year	-	3 266
Cash book balance at end of year	4 460	-
Bank statement balance at beginning of year	-	3 266
Bank statement balance at end of year	4 460	-
First National Bank - Account Number 62182751729:		
Cash book balance at beginning of year	756 828	505 395
Cash book balance at end of year	233 000	756 828
Bank statement balance at beginning of year	756 828	505 395
Bank statement balance at end of year	233 000	756 828
First National Bank - Account Number 62117682791:		
Cash book balance at beginning of year	8 891	165 155
Cash book balance at end of year	8 593	8 891
Bank statement balance at beginning of year	8 891	165 155
Bank statement balance at end of year	8 593	8 891
First National Bank - Account Number 74282299369:		
Cash book balance at beginning of year	311 441	291 895
Cash book balance at end of year	329 809	311 441
Bank statement balance at beginning of year	311 441	291 895
Bank statement balance at end of year	329 809	311 441
First National Bank - Account Number 71053360915:		
Cash book balance at beginning of year	154 166	143 972
Cash book balance at end of year	165 099	154 166
Bank statement balance at beginning of year	154 166	143 972
Bank statement balance at end of year	165 099	154 166
First National Bank - Account Number 71059354764:		
Cash book balance at beginning of year	171 253	159 988
Cash book balance at end of year	183 398	171 253
Bank statement balance at beginning of year	171 253	159 988
Bank statement balance at end of year	183 398	171 253
Investec - Account Number 1100528298621:		
Cash book balance at beginning of year	513 156	4 977 358
Cash book balance at end of year	-	513 156
Bank statement balance at beginning of year	513 156	4 977 358
Bank statement balance at end of year	-	513 156

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
10. LONG-TERM BORROWINGS		
Capitalised Lease Liability - At amortised cost	398 901	1 021 338
	398 901	1 021 338
Less: Current Portion transferred to Current Liabilities	(203 452)	(833 578)
Capitalised Lease Liability - At amortised cost	(203 452)	(833 578)
Total Long-term Borrowings	195 449	187 760

10.1 The obligations under finance leases are scheduled below:

Amounts payable under finance leases:

Payable within one year

Payable within two to five years

Payable after five years

Less: Future finance obligations**Present value of finance lease obligations**Minimum
payments

254 355

246 735

-

501 090

(102 189)

398 901

912 415

207 090

-

1 119 505

(98 167)

1 021 338

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Nashua Mobile	Laptops & Modems	10%	0%	2 Years	3/31/2022
Nashua	Fax machines and Copiers	14%	0%	5 Years	31/03/2022
Bidvest	Vehicles	10%	0%	3 Years	31/05/2020

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Finance Leases are secured by property, plant and equipment - Note 2.

11. NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites

20 760 935

21 665 886

Total Non-current Provisions**20 760 935****21 665 886****11.1 Landfill Sites**

Balance 1 July

21 665 886

20 872 382

Contribution for the year

1 671 468

1 669 399

Increase/(Decrease) due to discounting

(2 576 419)

1 084 408

Expenditure for the year

-

-

Correction of Error - Note 38.3

-

(1 960 304)

Total provision 30 June**20 760 935****21 665 886****Less:** Transfer of Current Portion to Current Provisions

-

-

Balance 30 June**20 760 935****21 665 886**

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer.

The future obligations for rehabilitating the landfill sites has been calculated using a discount rate between 5,030% - 11,345% depending on the remaining useful life of the landfill-sites.

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Hondeklip Bay	Klipfontein	Soebatsfontein	
Rehabilitation area (m²)	5 788	2 070	6 482	
Preliminary and General	364 643	132 726	303 046	
Site Clearance and Preparation	18 579	6 645	20 807	
Stormwater Control Measures	503 027	317 443	541 164	
Capping	1 296 146	488 359	1 406 127	
Leachate Management	179 957	124 843	185 758	
Fencing	606 882	10 757	10 757	
Environmental Authorisation (Closure License)	467 233	467 233	467 233	
Technical ROD	96 443	96 443	96 443	
Install Groundwater Monitoring Boreholes with lockable caps (includes drilling contractor site establishment)	175 489	274 253	284 650	
Landscape Architects	119 474	117 350	115 225	
Topographical Survey	9 350	6 413	6 413	
Contingencies	296 923	108 077	246 766	
Engineering Professional Fees	244 962	89 164	203 582	
Site Supervision (Engineer's Representative)	175 448	154 983	193 700	
Site Supervision (Environmental Control Officer&OHS Agent)	156 399	131 342	135 472	
	Garies	Spoegrivier	Nourivier	
Rehabilitation area (m²)	9 611	1 645	1 771	
Preliminary and General	450 019	120 241	119 796	
Site Clearance and Preparation	30 851	5 280	5 685	
Stormwater Control Measures	805 500	337 511	313 170	
Capping	2 136 590	380 953	402 680	
Leachate Management	230 720	124 359	123 392	
Fencing	10 757	10 757	10 757	
Environmental Authorisation (Closure License)	467 233	467 233	467 233	
Technical ROD	96 443	96 443	96 443	
Install Groundwater Monitoring Boreholes with lockable caps (includes drilling contractor site establishment)	194 606	204 741	209 983	
Landscape Architects	117 241	116 532	113 264	
Topographical Survey	6 413	6 413	6 413	
Contingencies	366 444	97 910	97 548	
Engineering Professional Fees	302 316	80 776	80 477	
Site Supervision (Engineer's Representative)	213 448	152 668	143 406	
Site Supervision (Environmental Control Officer&OHS Agent)	159 939	127 720	113 232	
	Tweerivier	Kharkams	Koingnaas	
Rehabilitation area (m²)	2 715	1 993	5 084	
Preliminary and General	163 764	154 165	301 953	
Site Clearance and Preparation	8 715	6 398	16 320	
Stormwater Control Measures	400 012	456 498	571 985	
Capping	599 313	465 456	1 352 653	
Leachate Management	150 950	162 069	205 097	
Fencing	10 757	10 757	10 757	
Environmental Authorisation (Closure License)	467 233	467 233	467 233	
Technical ROD	96 443	96 443	96 443	
Install Groundwater Monitoring Boreholes with lockable caps (includes drilling contractor site establishment)	239 235	200 547	288 494	
Landscape Architects	116 369	115 661	117 241	
Topographical Survey	6 413	6 413	9 350	
Contingencies	133 351	125 534	245 876	
Engineering Professional Fees	110 015	103 566	202 848	
Site Supervision (Engineer's Representative)	152 205	150 198	168 375	
Site Supervision (Environmental Control Officer&OHS Agent)	126 995	123 856	145 399	
	Leliefontein	Rooifontein/ Kamassies	Paulshoek	Kamieskroon
Rehabilitation area (m²)	1 022	2 910	685	10 697
Preliminary and General	87 410	174 396	73 035	471 711
Site Clearance and Preparation	3 281	9 341	2 199	34 337
Stormwater Control Measures	261 053	419 157	241 233	692 833
Capping	249 567	649 677	176 489	2 389 598
Leachate Management	99 703	156 751	91 001	241 839
Fencing	10 757	10 757	10 757	10 757
Environmental Authorisation (Closure License)	467 233	467 233	467 233	467 233
Technical ROD	96 443	96 443	96 443	96 443
Install Groundwater Monitoring Boreholes with lockable caps (includes drilling contractor site establishment)	167 975	324 124	205 527	204 741
Landscape Architects	114 353	112 283	114 462	114 680
Topographical Survey	6 413	6 413	6 413	9 724
Contingencies	71 177	142 008	59 471	384 108
Engineering Professional Fees	58 721	117 156	49 064	316 889
Site Supervision (Engineer's Representative)	146 494	140 628	146 802	204 912
Site Supervision (Environmental Control Officer&OHS Agent)	118 061	108 885	118 544	146 067

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. The estimate cost, based on an average inflation rate of 5,08%, and -date of decommission of the sites are as follows:

Location	Estimated decommission date	2020 R	2019 R
Hondeklip Bay	2049	19 823 978	19 823 978
Koingnaas	2045	14 496 167	14 496 167
Klipfontein	2025	3 236 227	3 236 227
Soebatsfontein	2064	37 316 525	37 316 525
Garies	2030	9 172 703	9 172 703
Tweerivier	2041	7 874 851	7 874 851
Kharkams	2030	4 341 024	4 341 024
Spoegrivier	2025	2 984 489	2 984 489
Nourivier	2022	2 543 455	2 543 455
Leliefontein	2029	3 059 393	3 059 393
Rooifontein/ Kamassies	2029	4 584 857	4 584 857
Paulshoek	2030	3 050 729	3 050 729
Kamieskroon	2056	34 442 217	34 442 217
		146 926 614	146 926 614

12. NON-CURRENT EMPLOYEE BENEFITS

Provision for Post Retirement Health Care Benefits	1 797 000	2 175 079
Provision for Long Service Awards	1 177 000	1 094 712
Total Non-current Employee Benefits	2 974 000	3 269 791

Post Retirement Health Care Benefits

Balance 1 July	2 224 279	2 164 942
Contribution for the year	367 336	379 605
Expenditure for the year	(55 536)	(52 160)
Actuarial Gain	(688 078)	(268 108)
Total provision 30 June	1 848 000	2 224 279
Less: Transfer of Current Portion to Current Provisions - Note 14	(51 000)	(49 200)
Balance 30 June	1 797 000	2 175 079

Long Service Awards

Balance 1 July	1 297 588	1 186 768
Contribution for the year	222 474	200 115
Expenditure for the year	(120 194)	(53 480)
Actuarial Gain	(95 868)	(35 815)
Total provision 30 June	1 304 000	1 297 588
Less: Transfer of Current Portion to Current Provisions - Note 14	(127 000)	(202 876)
Balance 30 June	1 177 000	1 094 712

12.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	21	20
In-service (employee) non-members	71	69
Continuation members (e.g. Retirees, widows, orphans)	2	2
Total Members	94	91

The liability in respect of past service has been estimated to be as follows:

In-service members	966 000	1 234 866
In-service non-members	586 000	678 794
Continuation members	296 000	310 619
Total Liability	1 848 000	2 224 279

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2018 R	2017 R	2016 R
In-service members	1 113 651	1 233 705	1 093 881
In-service non-members	765 477	800 140	928 400
Continuation members	285 814	297 939	303 970
Total Liability	2 164 942	2 331 784	2 326 251

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

LA Health

The Current-service Cost for the ensuing year is estimated to be R127 000, whereas the Interest Cost for the next year is estimated to be R197 000.

Key actuarial assumptions used:	2020 %	2019 %
i) Rate of interest		
Discount rate	10.78%	9.59%
Health Care Cost Inflation Rate	6.83%	7.02%
Net Effective Discount Rate	3.70%	2.40%

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

The Pensioner Annuitant (90) or "PA(90)" tables are a set of mortality tables based on UK life insurance office pensioners during the period 1967-70. These mortality rates were then projected to estimate mortality rates applicable in 1990.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 62 years.

iv) Expected rate of salary increases

2020/2021 - CPI + 1,25%

The three-year Salary and Wage Collective Agreement ends on 30 June 2021.

	2020 R	2019 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	1 848 000	2 224 279
Fair value of plan assets	-	-
	1 848 000	2 224 279
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	1 848 000	2 224 279

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	2 224 279	2 164 942
Total expenses	311 799	327 445
Current service cost	156 259	171 310
Interest Cost	211 077	208 295
Benefits Paid	(55 537)	(52 160)
Actuarial (gains)/losses	(688 078)	(268 108)
Present value of fund obligation at the end of the year	1 848 000	2 224 279

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	-	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Sensitivity Analysis on the Accrued Liability on 30 June 2020

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Central Assumptions	1.552	0.296	1.848

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Health care inflation	+1%	1.762	0.311	2.073	12%
Health care inflation	-1%	1.313	0.282	1.595	-14%
Discount rate	+1%	1.307	0.283	1.590	-14%
Discount rate	-1%	1.863	0.311	2.174	18%
Post-retirement mortality	+1 year	1.508	0.281	1.789	-3%
Post-retirement mortality	-1 year	1.597	0.311	1.908	3%
Average retirement age	-1 year	1.738	0.296	2.034	10%
Withdrawal Rate	-10%	1.032	0.296	1.328	-28%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2021

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	127 000	197 000	324 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	+1%	145 000	221 000	366 000	13%
Health care inflation	-1%	106 000	169 000	275 000	-15%
Discount rate	+1%	107 000	184 000	291 000	-10%
Discount rate	-1%	153 000	210 000	363 000	12%
Post-retirement mortality	+1 year	124 000	190 000	314 000	-3%
Post-retirement mortality	-1 year	130 000	203 000	333 000	3%
Average retirement age	-1 year	144 000	217 000	361 000	11%
Withdrawal Rate	-10%	78 000	140 000	218 000	-33%

	2020 Rm	2019 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(226.000)	(478.000)
Assets: Gain / (loss)		-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2018 Rm	2017 Rm	2016 Rm
Liabilities: (Gain) / loss	(355.000)	(85.000)	169.000
Assets: Gain / (loss)	-	-	-

12.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 92 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R135 000 whereas the Interest Cost for the next year is estimated to be R92 000.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Key actuarial assumptions used:	2020 %	2019 %
i) Rate of interest		
Discount rate	7.40%	8.07%
General Salary Inflation (long-term)	3.99%	5.48%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	3.28%	2.46%

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	1 304 000	1 297 588
Fair value of plan assets	-	-
	<u>1 304 000</u>	<u>1 297 588</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	<u>1 304 000</u>	<u>1 297 588</u>
	2020 R	2019 R

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	1 297 588	1 186 768
Total expenses	102 280	146 635
Current service cost	125 786	108 900
Vested past service cost	-	-
Interest Cost	96 688	91 215
Benefits Paid	(120 194)	(53 480)
Actuarial (gains)/losses	(95 868)	(35 815)
Present value of fund obligation at the end of the year	<u>1 304 000</u>	<u>1 297 588</u>

Sensitivity Analysis on the Accrued Liability on 30 June 2020

Assumption	Change	Liability (Rm)	% change
Central assumptions		1.304	
General earnings inflation rate	+1%	1.388	6%
General earnings inflation rate	-1%	1.228	-6%
Discount rate	+1%	1.225	-6%
Discount rate	-1%	1.391	7%
Average retirement age	+2 yrs	1.373	5%
Average retirement age	-2 yrs	1.215	-7%
Withdrawal rates	x 2	1.025	-21%
Withdrawal rates	x 0.5	1.498	15%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2021

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	135 000	92 000	227 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
General earnings inflation rate	+1%	147 000	98 000	245 000	8%
General earnings inflation rate	-1%	125 000	86 000	211 000	-7%
Discount rate	+1%	126 000	98 000	224 000	-1%
Discount rate	-1%	146 000	85 000	231 000	2%
Average retirement age	+2 yrs	144 000	97 000	241 000	6%
Average retirement age	-2 yrs	128 000	85 000	213 000	-6%
Withdrawal Rate	x 2	95 000	71 000	166 000	-27%
Withdrawal Rate	x 0.5	166 000	106 000	272 000	20%

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 Rm	2019 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	51 814	(58 776)
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2018 Rm	2017 Rm	2016 Rm
Liabilities: (Gain) / loss	(10 001)	32 540	26 338
Assets: Gain / (loss)	-	-	-

12.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CONSOLIDATED RETIREMENT FUND (PREVIOUSLY CAPE JOINT RETIREMENT FUND)

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2019 revealed that the fund is in a sound financial position with a funding level of 100,3% (30 June 2018 - 100,4%).

Contributions paid recognised in the Statement of Financial Performance	1 493 377	1 283 024
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DEFINED CONTRIBUTION FUNDS

Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

National Fund Municipal Workers	94 560	91 305
SAMWU National Provident Fund	764 630	779 529
	859 190	870 835

13. CONSUMER DEPOSITS

Water and Electricity	1 512 736	1 503 375
Total Consumer Deposits	1 512 736	1 503 375

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
14. CURRENT EMPLOYEE BENEFITS		
Staff Bonuses	638 701	557 689
Staff Leave	1 964 180	1 490 070
Previously stated	-	1 171 148
Correction of Error - Note 38.4	-	318 922
Current Portion of Non-Current Provisions	178 000	252 076
Current Portion of Post Retirement Benefits - Note 12	51 000	49 200
Current Portion of Long-Service Awards - Note 12	127 000	202 876
Total Provisions	2 780 881	2 299 835
14.1 Staff Bonuses		
Balance at beginning of year	557 689	496 418
Contribution to current portion	1 371 272	1 262 394
Expenditure incurred	(1 290 260)	(1 201 123)
Balance at end of year	638 701	557 689
Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.		
14.2 Staff Leave		
Balance at beginning of year	1 490 070	1 369 771
Contribution to current portion	585 449	397 968
Expenditure incurred	(111 340)	(277 669)
Balance at end of year	1 964 180	1 490 070
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.		
15. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	34 258 182	26 058 246
Previously stated	-	24 673 139
Recognise Creditors not recorded periods prior to 1 July 2018 - Note 38.5	-	1 128 235
Recognise Creditors not recorded in 2018/2019 - Note 38.5	-	269 851
Correction of Creditors overstated in 2018/2019 - Note 38.5	-	(451 133)
Correction of Property, Plant and Equipment additions not recognised in 2018/2019 - Note 38.5	-	438 154
Accrued Interest	-	-
Advance Payments	1 419 025	1 204 065
Previously stated	-	1 113 760
Correction of prepaid electricity sold, but not consumed at year end - Note 38.5	-	90 305
Control, Clearing and Interface Accounts	6 075 307	3 837 067
Retentions	818 119	705 676
Previously stated	-	1 193 581
Correction of Retention recognised in 2018/2019 - Note 38.5	-	(487 906)
Total Trade Payables	42 570 633	31 805 053

Payables are being recognised net of any discounts.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
16. UNSPENT TRANSFERS AND SUBSIDIES		
Unspent Transfers and Subsidies	7 041 640	5 590 210
National Government Grants	5 217 252	34 914
Provincial Government Grants	1 625 757	5 237 674
District Municipality	198 631	317 622
Other Sources	-	-
Total Unspent Transfers and Subsidies	7 041 640	5 590 210
See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.		
Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.		
17. TAXES		
17.1		
VAT Payable	(478 878)	(348 914)
VAT Output in Suspense	(6 077 531)	(4 449 139)
Correction of Error - Note 38.6	-	11 777
Total VAT Payable	(6 556 408)	(4 786 276)
17.2		
VAT Receivable	418 871	(509 490)
VAT Input in Suspense	13 682 521	10 890 868
Correction of Error - Note 38.6	-	2 672
Total VAT Receivable	14 101 392	10 384 050
17.3 Net VAT (Payable)/Receivable	7 544 984	5 597 775
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.		
18. PROPERTY RATES		
<u>Actual</u>		
Rateable Land and Buildings	19 286 002	10 708 218
<u>Less: Revenue Forgone</u>	<u>(8 157 436)</u>	<u>(2 394 075)</u>
Total Property Rates	11 128 566	8 314 143
<u>Valuations - 1 July 2019</u>		
Rateable Land and Buildings	1 788 609 000	1 362 638 300
Business and Commercial Property	71 415 000	33 812 200
Mining Properties	66 810 000	68 500 100
Municipal Properties	207 808 000	22 313 700
Protected Areas	-	5 159 000
Public Service Infrastructure Properties	10 145 000	182 800
Residential Properties	312 122 000	200 967 700
State-owned Properties	72 667 000	67 983 900
Agricultural Property	927 632 000	873 190 100
Multiple Purposes	-	4 786 800
Other Categories	120 010 000	85 742 000
Total Assessment Rates	1 788 609 000	1 362 638 300
Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2019. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.		
Basic Rate		
Residential	1.5953c/R	1.5164c/R
Commercial	2.3929c/R	2.2746c/R
Agricultural	0.06699c/R	0.063682c/R
State	3.9882c/R	3.7910c/R
Industrial	2.3929c/R	2.2746c/R

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at a rate determined by the council on outstanding rates amounts.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential	- The first R15 000 on the valuation is exempted.
Public Benefit Organisations	- 100%
State	- 30%

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

	2020 R	2019 R
19. GOVERNMENT GRANTS AND SUBSIDIES		
Government Grants and Subsidies - Operating	28 365 465	25 604 885
Equitable Share	22 790 000	20 768 000
Expanded Public Works Programme Integrated Grant	749 570	1 000 000
Local Government Financial Management Grant	2 880 000	2 415 000
Municipal Disaster Grant	-	-
Northern Cape Tourism Authority	53 968	95 005
Municipal Infrastructure Grant	-	-
Libraries, Archives and Museums	1 423 850	1 287 380
Namakwa DM	429 077	39 500
Covid-19 - Disaster Relief	39 000	-
Government Grants and Subsidies - Capital	13 789 276	22 168 154
Integrated National Electrification Programme Grant	-	665 086
Municipal Infrastructure Grant	11 360 439	11 867 000
Department Water Affairs and Environment (DWAF)	2 428 837	6 970 309
Namakwa DM	-	1 199 539
Covid-19 - Disaster Relief	-	-
Drought Relief	-	1 466 220
Total Government Grants and Subsidies	42 154 741	47 773 039
Included in above are the following grants and subsidies received:		
Unconditional	22 790 000	20 768 000
Equitable Share	22 790 000	20 768 000
Conditional	19 364 741	27 005 039
Local Government Financial Management Grant	2 880 000	2 415 000
Municipal Systems Improvement Grant [Schedule 5B]	-	-
Libraries, Archives and Museums	1 423 850	1 287 380
Expanded Public Works Programme Integrated Grant	749 570	1 000 000
Namakwa DM	429 077	1 239 039
Municipal Infrastructure Grant	11 360 439	11 867 000
Northern Cape Tourism Authority	53 968	95 005
Department Water Affairs and Environment (DWAF)	2 428 837	6 970 309
Integrated National Electrification Programme Grant	-	665 086
Covid-19 - Disaster Relief	39 000	-
Drought Relief	-	1 466 220
Municipal Systems Improvement Grant	-	-
Total Government Grants and Subsidies	42 154 741	47 773 039
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	22 790 000	20 768 000
Executive and Council	39 000	-
Finance and Administration	14 669 430	16 987 259
Community and Social Services	1 423 850	1 287 380
Planning and Development	803 623	1 095 005
Road Transport	-	-
Energy Sources	-	665 086
Water Management	2 428 837	6 970 309
Total Government Grants and Subsidies	42 154 741	47 773 039

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
19.1 <u>Equitable Share</u>		
Opening balance	-	-
Grants received	22 790 000	20 768 000
Conditions met - Operating	(22 790 000)	(20 768 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
19.2 <u>Local Government Financial Management Grant (FMG)</u>		
Opening balance	-	-
Grants received	2 880 000	2 415 000
Conditions met - Operating	(2 880 000)	(2 415 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
19.3 <u>Municipal Infrastructure Grant (MIG)</u>		
Opening balance	-	-
Grants received	11 553 000	11 867 000
Conditions met - Operating	-	-
Conditions met - Capital	(11 360 439)	(11 867 000)
Conditions still to be met	192 561	-
The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.		
19.4 <u>Integrated National Electrification Grant</u>		
Opening balance	34 914	-
Grants received	-	700 000
Repaid to National Revenue Fund	(34 914)	-
Conditions met - Operating	-	-
Conditions met - Capital	-	(665 086)
Conditions still to be met	-	34 914
The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
19.5 <u>Expanded Public Works Programme (EPWP)</u>		
Opening balance	-	-
Grants received	1 000 000	1 000 000
Conditions met - Operating	(749 570)	(1 000 000)
Conditions met - Capital	-	-
Conditions still to be met	250 430	-
The grant was used for job creation.		
19.6 <u>Department Water Affairs and Environment (DWAF)</u>		
Opening balance	2 997 528	146 837
Grants received	5 000 000	9 821 000
Repaid to National Revenue Fund	(544 000)	-
Conditions met - Operating	-	-
Conditions met - Capital	(2 428 837)	(6 970 309)
Conditions still to be met	5 024 691	2 997 528
The grant was used for the refurbishment of water infrastructure.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
19.7 <u>Library Grant</u>		
Opening balance	1 458 227	2 132 607
Grants received	613 000	613 000
Conditions met - Operating	(1 423 850)	(1 287 380)
Conditions met - Capital	-	-
Conditions still to be met	<u>647 376</u>	<u>1 458 227</u>
The grant was used to finance library activities.		
19.8 <u>Northern Cape Tourism Authority</u>		
Opening balance	54 995	-
Grants received	-	150 000
Conditions met - Operating	(53 968)	(95 005)
Conditions met - Capital	-	-
Conditions still to be met	<u>1 027</u>	<u>54 995</u>
The grant was used to finance tourism activities.		
19.9 <u>Namakwa District Municipality</u>		
Opening balance	317 622	285 277
Grants received	310 086	1 271 383
Conditions met - Operating	(429 077)	(39 500)
Conditions met - Capital	-	(1 199 539)
Conditions still to be met	<u>198 631</u>	<u>317 622</u>
The grant was used for various projects.		
19.10 <u>Project Nala</u>		
Opening balance	620 180	620 180
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>620 180</u>	<u>620 180</u>
The grant was used for job creation.		
19.11 <u>Department Finance, Economic Development & Tourism</u>		
Opening balance	100 000	100 000
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>100 000</u>	<u>100 000</u>
The grant was used for job creation.		
19.12 <u>Department Social Services</u>		
Opening balance	482	482
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>482</u>	<u>482</u>
The grant was used for various projects.		
19.13 <u>Department Sport, Arts and Culture</u>		
Opening balance	6 262	6 262
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>6 262</u>	<u>6 262</u>
The grant was used for various related projects.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
19.14 Drought Relief		
Opening balance	-	1 466 220
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	(1 466 220)
Conditions still to be met	-	-
The grant was used for drought relief.		
19.15 Covid-19 - Disaster Relief		
Opening balance	-	-
Grants received	39 000	-
Conditions met - Operating	(39 000)	-
Conditions met - Capital	-	-
Conditions still to be met	-	-
The grant was used for Covid-19 relief.		
19.16 Total Grants		
Opening balance	5 590 210	4 757 865
Grants received	44 185 086	48 605 383
Repaid to National Revenue Fund	(578 914)	-
Conditions met - Operating	(28 365 465)	(25 604 885)
Conditions met - Capital	(13 789 276)	(22 168 154)
Conditions still to be met	7 041 640	5 590 210
Disclosed as follows:		
Unspent Conditional Government Grants and Receipts	7 041 640	5 590 210
Unpaid Conditional Government Grants and Receipts	-	-
Total	7 041 640	5 590 210
20. PUBLIC CONTRIBUTIONS AND DONATIONS		
Public Contributions - Unconditional	21 564	32 500
Total Public Contributions and Donations	21 564	32 500
21. SERVICE CHARGES		
Electricity	7 732 697	7 752 125
Service Charges	9 129 861	8 914 231
Less: Revenue Forgone	(1 397 164)	(1 162 106)
Water	3 358 564	2 877 380
Service Charges	4 614 223	3 992 868
Less: Revenue Forgone	(1 255 659)	(1 115 488)
Waste Management	1 313 068	1 314 566
Service Charges	2 440 005	2 317 601
Less: Revenue Forgone	(1 126 936)	(1 003 035)
Waste Water Management	1 443 285	1 469 645
Service Charges	1 911 425	1 791 089
Less: Revenue Forgone	(468 140)	(321 445)
Total Service Charges	13 847 614	13 413 715

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
22. SALES OF GOODS AND RENDERING OF SERVICES		
Building Plan Approval	5 301	4 782
Camping Fees	-	5 422
Cemetery and Burial	-	5 543
Entrance Fees	-	43 940
Photocopies and Faxes	5 504	5 672
Sale of Goods	27 703	28 958
Total Sales of Goods and Rendering of Services	38 508	94 318
23. RENTAL FROM FIXED ASSETS		
Investment Property	70 011	67 875
Property, Plant and Equipment	19 207	36 582
Total Rental from Fixed Assets	89 218	104 457
24. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	194 956	412 483
Other	-	-
Total Interest Earned - External Investments	194 956	412 483
25. INTEREST EARNED - OUTSTANDING RECEIVABLES		
Trade Receivables	4 510 182	3 958 937
Other Receivables	3 611 308	2 752 531
Total Interest Earned - Outstanding Receivables	8 121 490	6 711 468
26. OPERATIONAL REVENUE		
Debt relief	1 475 609	3 854 114
Insurance Refund	-	4 442
Staff Recoveries	-	9 486
Skills Development Levy Refund	55 490	42 409
Total Operational Revenue	1 531 099	3 910 451
<u>Disclosed as follows:</u>		
Revenue from Exchange Transactions	-	-
Revenue from Non-Exchange Transactions	1 531 099	3 910 451
Total Operational Revenue	1 531 099	3 910 451
27. EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	18 352 143	15 955 421
Pension and UIF Contributions	2 396 515	2 166 117
Medical Aid Contributions	720 103	618 075
Overtime	1 559 385	1 328 367
Bonuses	1 371 272	1 262 394
Motor Vehicle Allowance	1 154 855	895 407
Cell Phone Allowance	80 550	71 300
Housing Allowances	261 747	171 937
Other benefits and allowances	349 164	693 752
Payments in lieu of leave	585 449	397 968
Post-retirement Benefit Obligations	589 810	579 720
Total Employee Related Costs	27 420 995	24 140 458

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

KEY MANAGEMENT PERSONNEL

Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

	2020 R	2019 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager - Mr RC Beukes</i>		
Basic Salary	589 591	564 803
Pension and UIF Contributions	102 509	99 426
Medical Aid Contributions	26 759	21 497
Motor Vehicle Allowance	241 355	232 865
Cell Phone Allowance	22 800	22 800
Housing Allowances	12 420	12 420
Other benefits and allowances	96 542	93 146
Total	1 091 976	1 046 957
<i>Remuneration of the Chief Financial Officer - Ms RM Cloete (acting)</i>		
Motor Vehicle Allowance	-	44 000
Other benefits and allowances	-	46 897
Total	-	90 897
<i>Remuneration of the Chief Financial Officer - Mr TE Diphokoje</i>		
Basic Salary	598 115	216 584
Pension and UIF Contributions	105 010	18 301
Medical Aid Contributions	26 759	6 448
Motor Vehicle Allowance	66 000	22 000
Cell Phone Allowance	9 000	3 000
Housing Allowances	12 420	4 140
Other benefits and allowances	79 266	27 047
Total	896 569	297 519
<i>Remuneration of Director : Corporate Services and LED - Mr GW von Mollendorf</i>		
Basic Salary	234 650	-
Pension and UIF Contributions	744	-
Motor Vehicle Allowance	37 500	-
Cell Phone Allowance	3 750	-
Housing Allowances	5 175	-
Total	281 818	-
<i>Remuneration of Director : Corporate Services - Ms DC Cloete (previously DC Beukes)</i>		
Basic Salary	-	61 499
Pension and UIF Contributions	-	11 154
Medical Aid Contributions	-	5 093
Performance Bonus	-	28 738
Cell Phone Allowance	-	1 500
Payments in lieu of leave	-	42 803
Total	-	150 787
<i>Remuneration of Director : Community Services (LED) - Mr JG Cloete</i>		
Basic Salary	-	35 390
Pension and UIF Contributions	-	149
Medical Aid Contributions	-	3 052
Motor Vehicle Allowance	-	13 542
Cell Phone Allowance	-	1 000
Housing Allowances	-	1 035
Payments in lieu of leave	-	15 288
Total	-	69 455

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
28. REMUNERATION OF COUNCILLORS		
PJ Willems	-	243 783
MJ Cloete (Mayor)	-	-
SC Nero (Mayor)	846 866	807 192
SC Nero (Councillor)	-	2 975
A Engelbrecht	295 891	9 363
LE Petersen	295 891	286 080
MC Rooi	295 891	286 080
CC Kordom	-	262 240
H Steenkamp	295 891	286 080
MJ Cloete (Councillor)	295 891	286 080
MJB Hanekom	295 891	14 304
Total Councillors' Remuneration	2 622 212	2 484 177
29. CONTRACTED SERVICES		
Catering Services	53 290	58 205
Personnel and Labour	-	656 673
Security Services	8 452	8 139
Transport Services	160 272	-
Accounting and Auditing	1 315 269	1 843 198
Medical Examinations	-	28 935
Qualification Verification	-	12 861
Valuer and Assessors	62 941	185 100
Land and Quantity Surveyors	-	295 396
Laboratory Services	84 728	129 629
Legal Cost	204 231	509 762
Artists and Performers	28 996	243 569
Electrical	-	66 114
Maintenance of Equipment	147 900	44 154
Maintenance of Unspecified Assets	262 162	328 037
Prepaid Electricity Vendors	237 622	310 771
Total Contracted Services	2 565 862	4 720 544
30. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	18 493 378	18 211 709
Intangible Assets	27 934	45 219
Total Depreciation and Amortisation	18 521 312	18 256 929
31. FINANCE COSTS		
Long-term Borrowings	115 331	182 118
Non-current Provisions	1 671 468	1 669 399
Payables	2 552 874	1 544 861
Total Finance Costs	4 339 674	3 396 379
32. BULK PURCHASES		
Electricity	11 039 765	9 083 892
Water	333 725	255 199
Total Bulk Purchases	11 373 491	9 339 090

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
33. OPERATIONAL COSTS		
Advertising, Publicity and Marketing	73 758	180 309
Audit Fees	2 343 164	2 232 446
Bank Charges, Facility and Card Fees	148 392	75 690
Communication	424 802	475 890
External Computer Service	799 110	524 741
Fines and Penalties	-	364 128
Hire Charges	131 850	1 309 988
Insurance Underwriting	301 482	352 142
Licences	25 135	145 521
Printing, Publications and Books	384 832	-
Professional Bodies, Membership and Subscription	507 868	637 205
Registration Fees	-	30 081
Remuneration to Ward Committees	181 020	105 500
Skills Development Fund Levy	243 917	215 108
Travel and Subsistence	1 319 282	1 433 724
Uniform and Protective Clothing	24 529	16 949
Total Operational Costs	6 909 140	8 099 422
34. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions - Note 7	7 246 584	6 387 248
Receivables from Non-exchange Revenue - Note 8	9 183 563	7 879 895
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	16 430 146	14 267 144
35. GAINS/(LOSS) ON SALE OF FIXED ASSETS		
Intangible Assets	-	-
Investment Property	-	-
Property, Plant and Equipment	390 435	15 501
Total Gains/ (Loss) on Sale of Fixed Assets	390 435	15 501
36. REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON FIXED ASSETS		
Property, Plant and Equipment	(254 687)	-
Total Reversal of Impairment Loss/ (Impairment Loss) on Fixed Assets	(254 687)	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has realigned items in the financial statements with the Item Segment of mSCOA. The result of this process was a reclassification and naming of items in the financial statements. New mSCOA Charts are issued annually, resulting into an annual reclassification of items in the financial statements. The reclassification of 2019 audited amounts can be summarised as follows:

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
38. CORRECTION OF ERROR IN TERMS OF GRAP 3		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
38.1 Property, Plant and Equipment		
Cost	-	397 618 907
Previously Reported		385 825 036
Correction of Landfill sites assets Cost prior to 1 July 2018	-	(15 157 855)
Correction of Landfill sites asset Cost prior to 1 July 2018	-	18 912 078
Correction of Landfill sites asset Cost in 2018/2019	-	1 084 408
Investment Property transferred to PPE in periods prior to 1 July 2018 - Note 38.2	-	620 400
Investment Property transferred from PPE in periods prior to 1 July 2018 - Note 38.2	-	(554 018)
Correction of Land incorrectly recognised in period prior to 1 July 2018 - Note 2.2	-	(355 013)
Correction of Infrastructure assets cost prior to 1 July 2018	-	7 480 374
Correction of repairs and maintenance incorrectly included in cost in periods prior to 1 July 2018 - Note 38.7	-	(479 688)
Correction of unclaimed VAT included in Infrastructure assets - Note 38.6	-	(2 672)
Record Infrastructure additions not recognised in 2018/2019 - Note 38.5	-	438 154
Correction of materials and supplies recognised as part of Infrastructure assets in 2018/2019 - Note 38.8	-	(192 297)
Accumulated Depreciation	-	(175 835 008)
Previously Reported		(180 482 824)
Correction of Landfill sites assets Accumulated Depreciation prior to 1 July 2018	-	5 481 674
Correction of Landfill sites assets Depreciation recognised in 2018/2019	-	(788 993)
Correction of depreciation in Infrastructure assets in periods prior to 1 July 2018	-	(7 107)
Correction of depreciation in Infrastructure assets not recorded in 2018/2019	-	(24 510)
Correction of Other Assets in periods prior to 1 July 2018	-	(13 249)
Restated Balance	-	221 783 899
<i>Correction of Landfill sites assets with change in rehabilitation cost and assets recognised incorrectly in prior years.</i>		
38.2 Investment Property		
Balance previously reported	-	23 980 800
Investment Property not recognised in periods prior to 1 July 2018 - Note 3	-	1 109 000
Correction of Investment Property derecognised in periods prior to 1 July 2018 - Note 3	-	(72 500)
Investment Property transferred to PPE in periods prior to 1 July 2018 - Note 38.1	-	(620 400)
Investment Property transferred from PPE in periods prior to 1 July 2018 - Note 38.1	-	554 018
Restated Balance	-	24 950 918
<i>Correction of Investment Property in period prior to 1 July 2018.</i>		
38.3 Non-Current Provisions		
Balance previously reported	-	22 720 368
Correction of Landfill sites provision in periods prior to 1 July 2018 - Note 11.1	-	(1 960 304)
Correction of Landfill sites contribution recognised in 2018/2019 - Note 11.1	-	(178 587)
Correction of Landfill sites non-current provision recognised in 2018/2019 - Note 11.1	-	1 084 408
Restated Balance	-	21 665 886
<i>Correction of rehabilitation cost previously recognised.</i>		
38.4 Current Employee Benefits		
Balance previously reported	-	1 980 913
Correction of 2018/2019 provision for staff leave - Note 14	-	318 922
Restated Balance	-	2 299 835
<i>Correction of prior year provision for staff leave recognised.</i>		
38.5 Trade and Other Payables from Exchange Transactions		
Balance previously reported	-	30 817 547
Correction of prepaid electricity sold, but not consumed at 30 June 2019 - Note 15	-	90 305
Recognise Creditors not recorded periods prior to 1 July 2018 - Note 15	-	1 128 235
Correction of Creditors overstated in 2018/2019 - Note 15	-	(451 133)
Recognise Creditors not recorded in 2018/2019 - Note 15	-	269 851
Recognise Property, Plant and Equipment acquisitions in 2018/2019 not previously recorded - Note -38.1	-	438 154
Correction of Retention previously recognised - Note 15	-	(487 906)
Restated Balance	-	31 805 053
<i>Correction of Prepaid electricity purchased, but not consumed. Corrections to Creditors- and Retention balances previously reported.</i>		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
38.6 Taxes		
Balance previously reported	-	5 583 326
Correction of output VAT on prepaid electricity sold, but not consumed at 30 June 2019 - Note 17.1	-	11 777
Correction of input VAT incorrectly included in Infrastructure WIP - Note 17.2	-	2 672
Restated Balance	-	5 597 775

VAT on prepaid electricity sold, but not consumed, not previously recognised. Correction of input VAT not claimed on creditors payment.

38.7 Accumulated Surplus/(Deficit) - 1 July 2018

Correction of Landfill sites assets Cost prior to 1 July 2018	-	(15 157 855)
Correction of Landfill sites asset Cost prior to 1 July 2018	-	18 912 078
Correction of Landfill sites assets Accumulated Depreciation prior to 1 July 2018	-	5 481 674
Correction of Landfill sites provision in periods prior to 1 July 2018 - Note 11.1	-	1 960 304
Correction of Land incorrectly recognised in period prior to 1 July 2018 - Note 38.1	-	(355 013)
Investment Property not recognised in periods prior to 1 July 2018 - Note 38.2	-	1 109 000
Correction of Investment Property derecognised in periods prior to 1 July 2018 - Note 38.2	-	(72 500)
Correction of Infrastructure assets cost prior to 1 July 2018	-	7 480 374
Recognise Creditors not recorded periods prior to 1 July 2018 - Note 15	-	(1 128 235)
Correction of Other Assets in periods prior to 1 July 2018	-	(13 249)
Correction of repairs and maintenance incorrectly included in cost in periods prior to 1 July 2018 - Note 38.1	-	(479 688)
Correction of depreciation in Infrastructure assets in periods prior to 1 July 2018	-	(7 107)
Correction of Retention previously recognised - Note 15	-	487 906
Total	-	18 217 689

38.8 Changes to Statement of Financial Performance

Movement on operating account as a result of errors in implementation of GRAP standards in prior years:

	Note	Balance previously reported	Adjustments	Restated Balance
Revenue				
Property Rates		8 314 143	-	8 314 143
Government Grants and Subsidies		47 773 039	-	47 773 039
Public Contributions and Donations		32 500	-	32 500
Actuarial Gains		303 923	-	303 923
Fines, Penalties and Forfeits		7 403	-	7 403
Service Charges	38.5	13 492 243	(78 527)	13 413 715
Sales of Goods and Rendering of Services		94 318	-	94 318
Rental from Fixed Assets		104 457	-	104 457
Interest Earned - External Investments		412 483	-	412 483
Interest Earned - Exchange Transactions		6 711 468	-	6 711 468
Licences and Permits from Exchange Transactions		229 412	-	229 412
Agency Services		353 736	-	353 736
Operational Revenue		3 910 451	-	3 910 451
Total		81 739 576	(78 527)	81 661 049
Expenditure				
Employee related costs	38.4	(23 821 535)	(318 922)	(24 140 458)
Remuneration of Councillors	38.5	(2 476 180)	(7 996)	(2 484 177)
Contracted Services	38.5	(4 700 887)	(19 657)	(4 720 544)
Depreciation and Amortisation	38.1	(17 443 426)	(813 503)	(18 256 929)
Finance Costs	38.3	(3 574 966)	178 587	(3 396 379)
Bulk Purchases	38.5	(9 747 293)	408 202	(9 339 090)
Inventory Consumed	38.1	(1 573 894)	(192 297)	(1 766 191)
Transfers and Subsidies		(19 697)	-	(19 697)
Operational Costs	38.5	(7 900 155)	(199 267)	(8 099 422)
Total		(71 258 033)	(964 853)	(72 222 886)
Gains and Losses				
Reversal of Impairment Loss/(Impairment Loss) on Receivables		(14 267 144)	-	(14 267 144)
Gains/(Loss) on Sale of Fixed Assets		15 501	-	15 501
Profit/(Loss) from Discontinued Operations		(3 042 857)	-	(3 042 857)
Total		(17 294 499)	-	(17 294 499)
Net Surplus/(Deficit) for the year		(6 812 956)	(1 043 381)	(7 856 336)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
39. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	(14 923 810)	(7 856 336)
Adjustments for:		
Depreciation and Amortisation	18 521 312	18 256 929
Loss/(Gain) on Sale of Fixed Assets	784	(15 501)
Impairment Loss/(Reversal of Impairment Loss)	254 687	-
Disposal of Fixed Assets	-	81 890
Government Grants and Subsidies received	43 606 172	48 605 383
Government Grants and Subsidies recognised as revenue	(42 154 741)	(47 773 039)
Contribution to provisions – Non-Current Provisions	1 671 468	1 669 399
Contribution from/to - Current Employee Benefits	1 956 722	1 660 362
Contribution from/to provisions - Non-Current Employee Benefits	414 080	474 080
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(783 946)	(303 923)
Contribution to provisions – Bad Debt	16 430 146	14 267 144
Operating Surplus/(Deficit) before changes in working capital	24 992 873	29 066 388
Changes in working capital	(10 147 850)	(9 740 661)
Increase/(Decrease) in Trade and Other Payables	10 765 579	6 868 449
Increase/(Decrease) in Employee Benefits	(1 401 600)	(1 478 792)
Increase/(Decrease) in Taxes	(1 947 209)	(1 406 540)
(Increase)/Decrease in Inventory	(11 163)	281 522
(Increase)/Decrease in Trade Receivables from Exchange Transactions	(7 465 073)	(5 800 440)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	(10 088 384)	(8 204 861)
Cash generated/(absorbed) by operations	14 845 024	19 325 727
40. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 9	1 091 182	537 738
Call Deposits and Investments - Note 9	924 359	1 915 735
Total cash and cash equivalents	2 015 541	2 453 473
41. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 9	2 015 541	2 453 473
Less:	(6 562 762)	(5 241 295)
Unspent Transfers and Subsidies - Note 16	(7 041 640)	(5 590 210)
VAT - Note 17	478 878	348 914
Resources available for working capital requirements	(4 547 221)	(2 787 823)
42. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 10	398 901	1 021 338
Used to finance property, plant and equipment - at cost	(398 901)	(1 021 338)
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

43. BUDGET INFORMATION**43.1 Explanation of variances between approved and final budget amounts**

The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative effect of the Covid-19 pandemic on revenue, increase in consumer debtors, reprioritising of operating and capital projects.

Explanation of variances greater than 5%: Final Budget and Actual Amounts**43.2 Statement of Financial Position****43.2.1 Current Assets**

Cash

Lower cash levels due to cash flow constraints

Call Investment Deposits

Decrease in call investments as a result of funds used for capital and operational expenditure.

Consumer Debtors

Increase in provision of debt impairment due to non payment by consumers.

Other Debtors

Increase in VAT receivables due to increase in Trade and Other Payables.

Inventory

Decrease in stock levels at year end.

43.2.2 Non-Current Assets

Property, Plant and Equipment

Ability to utilise all available Capital Grant funding.

Intangible Assets

Decrease in the amortisation of Intangible Assets.

43.2.3 Current Liabilities

Borrowing

New leases taken up.

Trade and Other Payables

Increase in Payables due to a decrease in available cash funds for repayment of payables.

Provisions

Changes in accounting estimates relating to provision for Rehabilitation of Landfill-sites.

43.2.4 Non-Current Liabilities

Borrowing

New finances obtained during the year.

Provisions

Changes in accounting estimates relating to provision for Rehabilitation of Landfill-sites.

43.2.5 Net Assets

Accumulated Surplus

Net effect of reasons documented above

43.3 Statement of Financial Performance

43.3.1 Revenue

Service Charges - Electricity Revenue

Decrease in electricity revenue due to load shedding.

Service Charges - Water Revenue

Decrease in water use by consumers due to water shortage and ongoing water drought.

Service Charges - Sanitation Revenue

Decrease in waste water quantities due to water restrictions.

Service Charges - Refuse Revenue

Decrease in request of additional refuse removal.

Rental of Facilities and Equipment

Decrease in rental of facilities due to Covid-19 lockdown.

Interest Earned - External Investments

More funds on call deposits than budgeted for.

Interest Earned - Outstanding Debtors

Increase in non-payment of consumer accounts.

Fines

Increase of fines received due to late return of library books.

Licences and Permits

Closing of offices during national lockdown.

Agency Services

Closing of offices during national lockdown.

Transfers Recognised - Operational

Lesser portion of transfers received utilised for operational projects.

Other Revenue

Actuarial gains recorded during the year.

Transfers Recognised - Capital

Additional funding received.

43.3.2 Expenditure

Employee Related Costs

Increase in overtime and filling of vacant positions.

Remuneration of Councillors

Savings during the year.

Debt Impairment

Non payment of consumers.

Depreciation and Asset Impairment

Decrease in Asset carrying value due to deteriorating infrastructure.

Finance Charges

Increase in interest paid to suppliers due to insufficient cash.

Other Materials

Reclassification as a result of mscoa implementation.

Contracted Services

Reclassification as a result of mscoa implementation.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

43.4 Cash Flow Statement

43.4.1 Net Cash from Operating Activities

Taxation

Decrease in revenue due to impact of covid-19 and increase in non-payment levels.

Service Charges

Decrease in revenue due to impact of covid-19 and increase in non-payment levels.

Interest

Interest received on consumer accounts, budgeted as part of service charges.

Suppliers and Employees

Municipality experience difficulty to pay trade creditors.

Finance costs

Interest paid to creditors as result of late payments.

43.4.2 Net Cash from Investing Activities

Capital Assets

Delay in capital projects due to national lockdown.

43.4.3 Net Cash from Financing Activities

Increase/(Decrease) in Consumer Deposits

Fewer new connections as anticipated.

Repayment of Borrowing

Finance leases settled during the year.

44. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

44.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure:

Opening balance

Unauthorised expenditure current year - operational

Unauthorised expenditure current year - capital

Approved by Council or condoned

Unauthorised expenditure awaiting authorisation

2020
R2019
R

255 730 691

27 001 091

527 240

-

283 259 023

226 701 089

20 664 970

8 364 632

-

255 730 691

Unauthorised expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Over expenditure of approved budget - 2010	To be condoned by Council	29 684	29 684
Over expenditure of approved budget - 2011	To be condoned by Council	28 371 069	28 371 069
Over expenditure of approved budget - 2012	To be condoned by Council	16 738 583	16 738 583
Over expenditure of approved budget - 2013	To be condoned by Council	25 203 509	25 203 509
Over expenditure of approved budget - 2014	To be condoned by Council	18 978 632	18 978 632
Bank Shortages - 2011	None	28 274	28 274
Fraud Vehicle Registration - 2011	None	78 504	78 504
Withdrawal by former CFO, EB Toontjies - 2011	None	6 800	6 800
Over expenditure of approved budget - 2015	None	18 055 902	18 055 902
Over expenditure of approved budget - 2016	None	10 999 101	10 999 101
Over expenditure of approved budget - 2017	None	90 897 845	90 897 845
Over expenditure of approved budget - 2018	None	17 313 186	17 313 186
Over expenditure of approved budget - 2019	None	29 029 602	29 029 602
Over expenditure of approved budget - 2020	None	27 528 332	-
		283 259 023	255 730 691

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 Actual R	2020 Final Budget R	2020 Variance R	2020 Unauthorised R
Unauthorised expenditure current year - operating				
Executive and Council	7 358 814	7 032 137	326 677	326 677
Finance and Administration	54 957 307	29 655 148	25 302 159	25 302 159
Waste Management	6 541 423	5 845 688	695 735	695 735
Water	4 123 027	5 139 214	(1 016 187)	-
Electricity	13 295 477	18 965 504	(5 670 027)	-
Economic and Social Development	2 215 806	2 134 986	80 820	80 820
Technical and Roads	3 941 843	7 692 289	(3 750 446)	-
Waste Water Management	795 938	200 237	595 701	595 701
	<u>93 229 635</u>	<u>76 665 203</u>	<u>16 564 432</u>	<u>27 001 091</u>

	2020 Actual R	2020 Final Budget R	2020 Variance R	2020 Unauthorised R
Unauthorised expenditure current year - capital				
Executive and Council	252 685	45 000	207 685	207 685
Finance and Administration	170 390	205 000	(34 610)	-
Water	14 328 696	16 553 000	(2 224 304)	-
Electricity	319 555	-	319 555	319 555
	<u>15 071 326</u>	<u>16 803 000</u>	<u>(1 731 674)</u>	<u>527 240</u>

44.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

Opening balance	11 512 138	9 307 262
Correction of prior period error	-	-
Restated opening balance	11 512 138	9 307 262
Fruitless and wasteful expenditure current year	3 230 317	2 204 875
Condoned or written off by Council	-	-
Fruitless and wasteful expenditure awaiting condonement	<u>14 742 455</u>	<u>11 512 138</u>

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Legal Cost (Hondekliipbaai Stands) - 2011	None	199 191	199 191
Interest on late Creditors payments - 2011	None	417 306	417 306
Interest on late Creditors payments - 2012	None	172 301	172 301
Interest on late Creditors payments - 2014	None	255 946	255 946
Interest on late Creditors payments - 2015	None	537 535	537 535
Salary payment to J Links after dismissal	None	8 417	8 417
Interest and penalties paid to SARS - 2014	None	204 546	204 546
Interest and penalties paid to SARS - 2015	None	353 136	353 136
Interest and penalties paid to SARS - 2017	None	286 069	286 069
Interest paid to various suppliers - 2016	None	2 444 160	2 444 160
Interest paid to various suppliers - 2017	None	1 718 792	1 718 792
Interest paid to various suppliers 2018	None	1 626 031	1 626 031
Legal Cost (LJ Swart case) - 2018	None	872 243	872 243
Interest and penalties paid to SARS - 2018	None	211 589	211 589
Interest paid to various suppliers 2019	None	2 204 875	2 204 875
Interest paid to various suppliers 2020	None	3 230 317	-
		<u>14 742 455</u>	<u>11 512 138</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
44.3 Irregular expenditure		
Reconciliation of irregular expenditure:		
Opening balance	65 460 000	21 873 314
Correction of prior period error	-	25 181 159
Restated opening balance	65 460 000	47 054 473
Irregular expenditure current year	13 023 539	18 405 527
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Irregular expenditure awaiting further action	78 483 539	65 460 000

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Expenditure contrary to SCM Processes 2010	None	3 715 210	3 715 210
Expenditure contrary to SCM Processes - 2012	None	2 661 945	2 661 945
Expenditure contrary to SCM Processes - 2017	None	1 118 745	1 118 745
Preference point system not used for bids between R30 000 and R200 000	None	1 935 162	1 935 162
Tax Reference numbers not obtained for transactions between R10 000 - R30 000	None	1 349 975	1 349 975
No declaration of interest forms (MBD4)	None	55 979	55 979
Expenditure contrary to SCM Processes - 2016	None	233 100	233 100
Grants used for operating purposes - 2016	None	3 539 704	3 539 704
Expenditure contrary to SCM Processes - 2018	None	7 171 777	7 171 777
Preference points incorrectly calculated	None	68 000	68 000
Acting longer than three months not approved by MEC	None	87 897	87 897
2019 Irregular Expenditure	None	18 341 347	18 341 347
Expenditure was more than R2 000 up to R30 000 and was procured without obtaining at least three written price quotations and the deviation was not approved by the CFO or his designate.	None	221 780	221 780
Bid adjudication committee does not consist of at least four senior managers of the municipality.	None	36 539 747	23 968 902
Expenditure totalled more than R2 000 and less than R200 000 and was not awarded to the lowest price or the entity with the most points.	None	354 229	288 477
Provider did not provide MBD4 declaration of interest ³	None	1 084 542	697 600
Total payments made exceeded the contract or quoted amount, including approved extensions.	None	4 400	4 400
		78 483 539	65 460 000

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

45. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

45.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)

Opening balance	3 189 675	2 882 470
Council subscriptions	507 706	507 205
Amount paid - current year	-	-
Amount paid - previous years	-	(200 000)
Balance unpaid (included in creditors)	3 697 381	3 189 675

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
45.2 Audit fees - [MFMA 125 (1)(c)]		
Opening balance	1 563 787	2 589 421
Current year audit fee	2 915 007	2 828 480
External Audit - Auditor-General Audit Committee	2 681 006 234 001	2 567 313 261 166
Amount paid - current year	(334 243)	-
Amount paid - previous year	-	-
Credit note	(1 474 139)	(3 854 114)
Balance unpaid (included in creditors)	2 670 412	1 563 787

45.3 VAT - [MFMA 125 (1)(c)]

VAT is payable on the payment basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year. The net of VAT Input Payables and VAT Output Receivables are shown in Note 17.

45.4 PAYE and UIF - [MFMA 125 (1)(c)]

Opening balance	1 132 515	2 304 077
Current year payroll deductions	3 949 239	3 360 724
Amount paid - current year	(3 352 559)	(2 228 209)
Amount paid - previous year	-	(2 304 077)
Balance unpaid (included in creditors)	1 729 195	1 132 515

45.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]

Opening balance	1 971 221	2 459 405
Correction of prior period error	-	(333 210)
Restated opening balance	1 971 221	2 126 195
Current year payroll deductions and Council Contributions	4 908 757	4 398 023
Amount paid - current year	(2 221 737)	(2 093 592)
Amount paid - previous year	(2 031 526)	(2 459 405)
Balance unpaid (included in creditors)	2 626 715	1 971 221

45.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 June 2020:

	Outstanding more than 90 days	Outstanding more than 90 days
Dawid & M Rooi	-	8 657
Hendrik Steenkamp	-	536

45.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b):

30 June 2020

	Type of Deviation				
	Amount	Single Supplier	Impossible	Impractical	Emergency
July	451 042	-	451 042	-	-
August	367 661	20 253	347 409	-	-
September	564 326	-	564 326	-	-
October	185 521	8 816	176 705	-	-
November	177 397	-	177 397	-	-
December	159 400	61 469	97 931	-	-
January	179 326	-	179 326	-	-
February	194 517	-	194 517	-	-
March	448 267	-	448 267	-	-
April	198 906	6 886	192 020	-	-
May	160 059	-	160 059	-	-
June	298 332	-	298 332	-	-
	3 384 756	97 423	3 287 332	-	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

30 June 2019**Type of Deviation**

	Amount	Single Supplier	Impossible	Impractical	Emergency
July	334 576	78 273	256 303	-	-
August	262 955	18 409	244 546	-	-
September	175 342	8 418	166 924	-	-
October	238 173	-	238 173	-	-
November	285 906	-	285 906	-	-
December	109 186	-	109 186	-	-
January	336 361	-	336 361	-	-
February	131 909	23 211	108 698	-	-
March	142 150	13 083	129 067	-	-
April	405 401	-	405 401	-	-
May	362 038	18 186	343 852	-	-
June	2 509 422	-	2 509 422	-	-
	<u>5 293 419</u>	<u>159 580</u>	<u>5 133 839</u>	<u>-</u>	<u>-</u>

**2020
R****2019
R****45.8 Material losses****Electricity distribution losses**

Units purchased (Kwh)	9 530 540	7 449 943
Units lost during distribution (Kwh)	2 091 088	1 868 433
Percentage lost during distribution	21.94%	25.08%

The reason for the increase in electricity losses is due to electricity theft on pre-paid meters. Fines were issued for first time offenders.

Water distribution losses

Units purchased (ml)	189 148	224 783
Units lost during distribution (ml)	14 823	27 288
Percentage lost during distribution	7.84%	12.14%

Normal pipe bursts and field leakages are responsible for water losses.

45.9 Skills Development Levy - [MFMA 125 (1)(c)]

Opening balance	271 529	181 757
Current year payroll deductions	243 104	214 950
Amount paid - current year	(120 596)	(125 178)
Balance unpaid (included in creditors)	394 037	271 529

46. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:		
1% (2019: 1%) Increase in interest rates	16 166	14 321
1% (2019: 1%) Decrease in interest rates	(16 166)	(14 321)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 7 and 8 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

	2020 %	2020 R	2019 %	2019 R
<u>Non-exchange Receivables</u>				
Rates	98.48%	42 930 491	98.48%	33 341 574
Other Receivables	1.52%	664 055	1.52%	164 587
	<u>100.00%</u>	<u>43 594 545</u>	<u>100.00%</u>	<u>33 506 161</u>
<u>Exchange Receivables</u>				
Electricity	13.02%	8 428 749	14.37%	8 072 411
Water	38.91%	25 192 294	36.80%	20 679 852
Waste Management	16.20%	10 486 966	16.31%	9 165 835
Waste Water Management	9.04%	5 854 874	9.01%	5 063 956
Other	22.83%	14 779 545	23.51%	13 208 312
	<u>100.00%</u>	<u>64 742 428</u>	<u>100.00%</u>	<u>56 190 367</u>

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 7 and 8 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at a rate determined by council where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2020 %	2020 R	2019 %	2019 R
<u>Non-exchange Receivables</u>				
Rates	39.90%	41 691 499	37.38%	32 507 936
Other Receivables	0.00%	-	0.00%	-
<u>Exchange Receivables</u>				
Services	60.10%	62 796 958	62.62%	54 463 387
	<u>100.00%</u>	<u>104 488 457</u>	<u>100.00%</u>	<u>86 971 323</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The provision for bad debts could be allocated between the different categories of receivables as follow:

	Exchange Receivables	Non- exchange Receivables
<u>Ageing of amounts past due but not impaired are as follow:</u>		
2020		
1 month past due	796 465	708 059
2+ months past due	-	530 933
	<u>796 465</u>	<u>1 238 992</u>
2019		
1 month past due	532 750	502 937
2+ months past due	-	330 701
	<u>532 750</u>	<u>833 638</u>

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (ABSA Bank Limited). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2020 R	2019 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	64 742 428	56 190 367
Receivables from non-exchange transactions	43 594 545	33 506 161
Cash and Cash Equivalents	2 015 541	2 453 473
	<u>110 352 514</u>	<u>92 150 001</u>

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2020				
Long-term Liabilities	254 355	246 735	-	-
Trade and Other Payables	42 570 633	-	-	-
	<u>42 824 988</u>	<u>246 735</u>	<u>-</u>	<u>-</u>
2019				
Long-term Liabilities	912 415	207 090	-	-
Trade and Other Payables	31 805 053	-	-	-
	<u>32 717 468</u>	<u>207 090</u>	<u>-</u>	<u>-</u>

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

		2020 R	2019 R
47. FINANCIAL INSTRUMENTS			
In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:			
47.1 Financial Assets	Classification		
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	8 428 749	8 072 411
Water	Financial Instruments at amortised cost	25 192 294	20 679 852
Waste Management	Financial Instruments at amortised cost	10 486 966	9 165 835
Waste Water Management	Financial Instruments at amortised cost	5 854 874	5 063 956
Other Arrears	Financial Instruments at amortised cost	14 779 545	13 208 312
Cash and Cash Equivalents			
Bank Balances	Financial Instruments at amortised cost	1 091 182	537 738
Call Deposits	Financial Instruments at amortised cost	924 359	1 915 735
Total Financial Assets		66 757 969	58 643 840
SUMMARY OF FINANCIAL ASSETS			
Financial Instruments at amortised cost:			
Receivables from Exchange Transactions	Electricity	8 428 749	8 072 411
Receivables from Exchange Transactions	Water	25 192 294	20 679 852
Receivables from Exchange Transactions	Waste Management	10 486 966	9 165 835
Receivables from Exchange Transactions	Waste Water Management	5 854 874	5 063 956
Receivables from Exchange Transactions	Other Arrears	14 779 545	13 208 312
Cash and Cash Equivalents	Bank Balances	1 091 182	537 738
Cash and Cash Equivalents	Call Deposits	924 359	1 915 735
Total Financial Assets		66 757 969	58 643 840
47.2 Financial Liabilities	Classification		
Long-term Liabilities			
Capitalised Lease Liability	Financial Instruments at amortised cost	398 901	1 021 338
Trade and Other Payables			
Trade Payables	Financial Instruments at amortised cost	34 258 182	26 058 246
Advance Payments	Financial Instruments at amortised cost	1 419 025	1 204 065
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	6 075 307	3 837 067
Retentions	Financial Instruments at amortised cost	818 119	705 676
		42 969 533	32 826 392
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Long-term Liabilities	Capitalised Lease Liability	398 901	1 021 338
Trade and Other Payables	Trade Payables	34 258 182	26 058 246
Trade and Other Payables	Advance Payments	1 419 025	1 204 065
Trade and Other Payables	Control, Clearing and Interface Accounts	6 075 307	3 837 067
Trade and Other Payables	Retentions	818 119	705 676
		42 969 533	32 826 392
48. STATUTORY RECEIVABLES			
In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:			
Taxes			
VAT Receivable		418 871	-
Receivables from Non-Exchange Transactions		42 930 491	33 341 574
Rates		42 930 491	33 341 574
Fines		-	-
Total Statutory Receivables (before provision)		43 349 362	33 341 574
Less: Provision for Debt Impairment		(41 691 499)	(32 507 936)
Total Statutory Receivables (after provision)		1 657 863	833 638

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Statutory Receivables arises from the following legislation:

Taxes	- Value Added Tax Act (No 89 of 1991)
Rates	- Municipal Properties Rates Act (No 6 of 2004)
Fines	- Criminal Procedures Act

Statutory receivables are initially measured at transaction value, and subsequently at cost.

	2020 R	2019 R
<u>(Rates): Ageing</u>		
Current (0 - 30 days)	766 426	505 370
31 - 60 Days	708 059	502 937
61 - 90 Days	688 033	473 346
+ 90 Days	40 767 972	31 859 920
Total	42 930 491	33 341 574
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	32 507 936	24 628 041
Contribution to provision	9 183 563	7 879 895
Balance at end of year	41 691 499	32 507 936
<u>Ageing of amounts past due and impaired:</u>		
1 month past due	-	-
2+ months past due	40 925 073	32 002 566
	40 925 073	32 002 566
<u>Ageing of amounts past due but not impaired:</u>		
1 month past due	708 059	502 937
2+ months past due	530 933	330 701
	1 238 992	833 638
<u>Interest Received from Statutory Receivables</u>		
Taxes	3 611 308	2 752 531
Receivables from Non-Exchange Transactions	-	-
	3 611 308	2 752 531

Interest is levied at a rate determined by the council on outstanding rates amounts.

49. PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

50. PRINCIPAL - AGENT ARRANGEMENTS

50.1 Principal in other Principal-Agent Arrangements (non-material)

Kamiesberg Municipality is the Principal in arrangements with service providers who sell prepaid electricity on their behalf. Prepaid vendors earn commission on the value of each transaction.

There are no resources under the custodianship of the agents, nor have they been recognised as such.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2020
R2019
R50.3 Agent in arrangement

The Municipality is the Agent in the Principal-Agent arrangement with the Provincial Department of Transport, and collects licencing fees on behalf of the Provincial Department of Transport. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end is included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

The municipality does not incur any expenses on behalf of the Provincial Department. No significant risks are noted to arise from the arrangement as the municipality merely collects monies on behalf of the department as part of its existing service offering at the traffic department and municipal cashier collection points. No resources are held on behalf of the Provincial Department (other than the receipts).

The Municipality was paid 12% commission by the Provincial Department of Transport for acting as an agent on its behalf during the financial year.

51. **CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

Eureka v President of the RSA & Municipal Manager of Kamiesberg Municipality (High Court Case no: 2827/2018):

Appeal by Applicant against Order obtained in favour of Municipality for the destruction of illegal structures with financial exposure of R150 000.

Kamiesberg Municipality v PA Schreuder (Garies Magistrates Court Case no: 19/2018):

The opposing attorney on behalf of some of the occupants have requested a meeting in an attempt to settle the matter with financial exposure of R120 000.

Kamiesberg Municipality v West Coast Resources (Western Cape High Court – Case no: 12270/19):

Action for recovery of outstanding municipal rates and levies with financial exposure of R100 000.

Groenriviermond (New matter):

Application to be filed on behalf of the Municipality for the destruction of illegal structures. There will be no financial exposure for the municipality as the Namakwa District Municipality has committed to financing the cost in relation to this matter.

52. **RELATED PARTIES**

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

52.1 **Related Party Transactions**

	Rates	Service Charges	Other	Interest	Outstanding Balance	Provision for Debt Impairment
Year ended 30 June 2020						
Councillors						
Mervin J Cloete	7 179	13 809	1	-	1 187	61
Susarah Nero	399	6 334	-	-	299	19
Leonard E Petersen	1 196	2 293	-	-	212	12
Dawid & M Rooi	7 657	6 399	1 132	-	15 486	14 696
Hendrik Steenkamp	-	-	-	-	(536)	-
Marietjie Hanekom	275	-	21	-	296	296
	16 706	28 835	1 154	-	16 944	15 084
Municipal Manager and Section 57 Employees						
Rufus C Beukes	7 258	5 184	-	-	2 132	495
	7 258	5 184	-	-	2 132	495

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Rates	Service Charges	Other	Interest	Outstanding Balance	Provision for Debt Impairment
Year ended 30 June 2019						
Councillors						
Mervin J Cloete	8 307	11 586	-	-	2 439	152
Susarah Nero	-	6 034	-	-	499	38
Charlton C Kordom	2	2 084	-	-	180	57
Leonard E Petersen	1 427	2 168	-	4	181	9
Dawid & M Rooi	5 417	7 209	-	1 508	9 897	5 434
Hendrik Steenkamp	-	-	-	-	(536)	-
	15 152	29 080	-	1 512	12 660	5 690
Municipal Manager and Section 57 Employees						
Rufus C Beukes	5 195	4 463	-	-	32	0
Rose Cloete	-	2 981	-	-	345	218
	5 195	7 444	-	-	377	218

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

Related party relationship

Councilors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality.

52.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

52.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 27 to the Annual Financial Statements.

52.4 Current Employee Benefits

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2020:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
Rufus C Beukes	Municipal Manager	75 742	-	136 729
Tumelo E Diphokoje	Chief Financial Officer	49 499	-	70 235
GW Von Mollendorf	Acting Corporate Manager	-	-	32 247
		125 241	-	239 211

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2019:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
Rufus C Beukes	Municipal Manager	48 944	-	136 040
Tumelo E Diphokoje	Chief Financial Officer	16 659	-	35 449
		65 602	-	171 489

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

53. FINANCIAL SUSTAINABILITY

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the vast distances between several settlements coupled with the socio-economic profile (high unemployment rate) of Kamiesberg communities resulted in a serious risk for Kamiesberg Municipality's going concern.

Unless sustainable job creation is achieved, Kamiesberg Municipality will not be able to function as a going concern without Government Grants and Subsidies.

The average creditors payment period is 529 days (2019: 398 days).

The municipality is experiencing difficulty to settle its current liabilities as its net current asset position is insufficient. The current liabilities exceeds the current assets with R40 483 939 (2019: R31 050 398).

The municipality has budgeted for surpluses of R13 055 435 for 2020/2021, R6 733 222 for 2021/2022 and R 13 738 382 for the 2022/2023 financial years. The municipality has also budgeted for cash inflows of R 4 960 115 for 2020/2021, R 3 617 025 for 2021/2022 and R 2 797 484 for the 2022/2023 financial years.

The average debtor-collection period after impairment is 46 days (2019: 49 days), while debtors impairment provision as a percentage of accounts receivable is 97% (2019: 97%).

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

COVID-19 - Background

The coronavirus outbreak has been international news since December 2019, but the South African National Institute for Communicable Diseases only confirmed the first positive case of COVID-19 in South Africa on 5 March 2020. On the 23rd of March 2020 President Cyril Ramaphosa announced the nationwide lockdown. On 30 March 2020 the Minister of Finance issued a conditional Exemption Notice in terms of section 177(1)(b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), in order to facilitate and enable the performance of legislative responsibilities by municipalities and municipal entities during the national state of disaster.

COVID-19 - Impact on Municipality

Due to the national state of disaster, various regulatory requirements were instituted in order to ensure that the impact of the spread of the virus is limited. The impact has been devastating to the most vulnerable in our community. As a result of the robust financial model applied by the municipality however, the overall going concern and financial position remains relatively unchanged due to continued support by those members of the community who can afford to do so.

COVID-19 - Response Expenditure

There are no prior year information available regarding expenditure in lieu of Covid-19. The summary below indicates the total Covid-19 response expenditure for the period ending 30 June 2020.

<u>Type of expenditure</u>	<u>Nature of expenditure</u>	<u>Supplier</u>	2020 R	2019 R
Face masks	Inventory consumed	Smart Art	12 909	-
Covid-19	Inventory consumed	Mjangus Construction	67 250	-
Corona sneeze screens	Inventory consumed	Edds Logistics	14 250	-
Corona gate	Inventory consumed	KHK Konstruksie	56 000	-
Masks, gloves and hand sanitizer	Inventory consumed	Edds Logistics	49 450	-
Masks, gloves and hand sanitizer	Inventory consumed	NK Creative Solutions	49 300	-
Corona sneeze screens and sanitary wipes	Inventory consumed	Edds Logistics	30 000	-
			279 159	-
The Covid-19 response expenditure is funded from the following sources:				
Own Revenue			240 159	-
Grant Funding			39 000	-
			279 159	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

54. EVENTS AFTER REPORTING PERIOD

Within the municipal space, the effects of COVID-19 is likely to be a current period event which will require ongoing evaluation to determine the extent to which developments after the reporting date, should be recognised in the current reporting period. Council has approved our revised budget for 2020/21 which includes various concessions in order to further mitigate the economic impact of the virus on our communities.

No further events which may have financial implications for the municipality and warrants disclosure in the financial statements occurred after to 30 June 2020.

55. ADDITIONAL DISCLOSURES IN TERMS OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

APPENDIX A
KAMIESBERG MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2020

EXTERNAL LOANS	Rate	Loan Number	Balance at 30 June 2019	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2020
LEASE LIABILITY							
Nashua	14.00%	Various	357 409	-	241 685	(211 171)	387 923
Nashua Mobile	10.00%	Various	16 626	-	-	(5 649)	10 977
Bidvest	10.00%	Various	647 303	-	-	(647 303)	(0)
Total Lease Liabilities			1 021 339	-	241 685	(864 123)	398 900
TOTAL EXTERNAL LOANS			1 021 339	-	241 685	(864 123)	398 900

APPENDIX B
KAMIESBERG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R		2020 Actual Income R	2020 Actual Expenditure R	2020 Surplus/ (Deficit) R
43 940	(8 729 791)	(8 685 851)	Governance and Administration	39 000	(7 358 814)	(7 319 814)
54 593 127	(51 795 219)	2 797 909	Executive and council	55 945 653	(54 931 059)	1 014 594
-	-	-	Finance and administration	-	-	-
			Internal audit			
			Community and Public Safety			
1 294 726	(186 596)	1 108 130	Community and social services	1 424 350	(26 248)	1 398 103
5 422	-	5 422	Sport and recreation	-	-	-
			Economic and Environmental Services			
1 127 505	(2 752 301)	(1 624 797)	Planning and development	825 501	(2 112 423)	(1 286 922)
233 305	(3 419 703)	(3 186 398)	Road transport	8 001	(3 941 843)	(3 933 842)
-	-	-	Environmental protection	-	-	-
			Trading Services			
9 021 987	(12 220 344)	(3 198 357)	Energy sources	8 340 931	(13 295 477)	(4 954 547)
11 810 948	(3 527 676)	8 283 272	Water management	7 996 253	(4 123 027)	3 873 226
1 768 385	(772 122)	996 264	Waste water management	1 784 974	(795 938)	989 036
1 855 732	(6 207 662)	(4 351 930)	Waste management	1 941 162	(6 541 423)	(4 600 261)
-	-	-	Other	-	(103 383)	(103 383)
81 755 078	(89 611 414)	(7 856 336)	Sub Total	78 305 825	(93 229 635)	(14 923 810)
-	-	-	Less Inter-Departmental Charges	-	-	-
81 755 078	(89 611 414)	(7 856 336)	Total	78 305 825	(93 229 635)	(14 923 810)

APPENDIX C
KAMIESBERG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020
MUNICIPAL VOTES CLASSIFICATIONS

2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R		2020 Actual Income R	2020 Actual Expenditure R	2020 Surplus/ (Deficit) R
			EXECUTIVE COUNCIL			
-	(3 268 636)	(3 268 636)	Municipal Manager	39 000	(3 283 394)	(3 244 394)
43 940	(5 461 155)	(5 417 215)	Mayor and Council	-	(4 075 420)	(4 075 420)
			FINANCE AND ADMINISTRATION			
50 254 693	(44 161 646)	6 093 047	Finance	49 528 356	(45 919 771)	3 608 586
4 338 434	(7 633 572)	(3 295 138)	Administration	7 843 847	(9 037 536)	(1 193 689)
-	-	-	Commonage	-	-	-
			COMMUNITY AND SOCIAL SERVICES			
5 543	-	5 543	Cemeteries	-	-	-
1 289 183	(186 596)	1 102 587	Libraries	500	-	500
			SPORT AND RECREATION			
5 422	-	5 422	Sportgrounds and Community Facilities	-	-	-
-	-	-	Caravan Park	-	-	-
			WASTE MANAGEMENT			
3 624 117	(6 979 784)	(3 355 667)	Refuse and Sanitation	1 941 162	(6 541 423)	(4 600 261)
			WATER			
11 810 948	(3 527 676)	8 283 272	Water	7 996 253	(4 123 027)	3 873 226
			ELECTRICITY			
9 021 987	(12 220 344)	(3 198 357)	Electricity	8 340 931	(13 295 477)	(4 954 547)
			ECONOMIC AND SOCIAL DEVELOPMENT			
1 127 505	(2 752 301)	(1 624 797)	Local Economic Development	825 501	(2 215 806)	(1 390 305)
			TECHNICAL AND ROADS			
233 305	(3 419 703)	(3 186 398)	Streets	5 301	(3 941 843)	(3 936 542)
			WASTE WATER MANAGEMENT			
-	-	-	Sewerage	1 784 974	(795 938)	989 036
81 755 078	(89 611 414)	(7 856 336)	Sub Total	78 305 825	(93 229 635)	(14 923 810)
-	-	-	Less Inter-Departmental Charges	-	-	-
81 755 078	(89 611 414)	(7 856 336)	Total	78 305 825	(93 229 635)	(14 923 810)

APPENDIX D
KAMIESBERG MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2019	Correction of Error	Restated Balance 30 June 2019	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2020	Unspent 30 June 2020 (Creditor)	Unpaid 30 June 2020 (Debtor)
<u>National Government Grants</u>											
Equitable Share	-	-	-	22 790 000	-	-	(22 790 000)	-	-	-	-
Finance Management Grant	-	-	-	2 880 000	-	-	(2 880 000)	-	-	-	-
Municipal Infrastructure Grant	-	-	-	11 553 000	-	-	-	(11 360 439)	192 561	192 561	-
Integrated National Electrification Grant	34 914	-	34 914	-	-	(34 914)	-	-	-	-	-
Department Water Affairs and Environment	2 997 528	-	2 997 528	5 000 000	-	(544 000)	-	(2 428 837)	5 024 691	5 024 691	-
Covid-19 - Disaster relief	-	-	-	39 000	-	-	(39 000)	-	-	-	-
Total National Government Grants	3 032 442	-	3 032 442	42 262 000	-	(578 914)	(25 709 000)	(13 789 276)	5 217 252	5 217 252	-
<u>Provincial Government Grants</u>											
Expanded Public Works Programme	-	-	-	1 000 000	-	-	(749 570)	-	250 430	250 430	-
Library	1 458 227	-	1 458 227	613 000	-	-	(1 423 850)	-	647 376	647 376	-
Project Nala	620 180	-	620 180	-	-	-	-	-	620 180	620 180	-
Department Finance, Economic Development & Tourism	100 000	-	100 000	-	-	-	-	-	100 000	100 000	-
Northern Cape Tourism Authority	54 995	-	54 995	-	-	-	(53 968)	-	1 027	1 027	-
Department Social Services	482	-	482	-	-	-	-	-	482	482	-
Department Sport, Arts and Culture	6 262	-	6 262	-	-	-	-	-	6 262	6 262	-
Drought Relief	-	-	-	-	-	-	-	-	-	-	-
Total Provincial Government Grants	2 240 146	-	2 240 146	1 613 000	-	-	(2 227 388)	-	1 625 758	1 625 758	-
<u>District Municipality</u>											
Namakwa DM	317 622	-	317 622	310 086	-	-	(429 077)	-	198 631	198 631	-
Total District Municipality Grants	317 622	-	317 622	310 086	-	-	(429 077)	-	198 631	198 631	-
Total Grants	5 590 210	-	5 590 210	44 185 086	-	(578 914)	(28 365 465)	(13 789 276)	7 041 640	7 041 640	-

KAMIESBERG - Reconciliation of Table A1 Budget Summary

Description	2019/20								2018/19			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance (i.t.o. MFMA s28)	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	10 389	908	11 297	11 129		168	98.5%	107.1%				8 314
Service charges	17 641	(674)	16 966	13 848		3 119	81.6%	78.5%				13 414
Investment revenue	190	(0)	190	89		101	47.0%	47.0%				104
Transfers recognised - operational	-	-	-	-		-	#DIV/0!	#DIV/0!				354
Other own revenue	33 682	180	33 863	24 485		9 378	72.3%	72.7%				59 475
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	-	-	0.0%	0.0%				-
Employee costs	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Remuneration of councillors	25 330	1 200	26 530	27 421	-	(891)	103.4%	108.3%	-	-	-	24 140
Depreciation & asset impairment	2 765	0	2 766	2 622	-	144	94.8%	94.8%	-	-	-	2 484
Finance charges	8 131	0	8 132	16 430	-	(8 298)	202.0%	202.1%	-	-	-	14 267
Materials and bulk purchases	16 860	0	16 860	18 521	-	(1 662)	109.9%	109.9%	-	-	-	18 257
Transfers and grants	13 487	(0)	13 487	15 713	-	(2 226)	116.5%	116.5%	-	-	-	12 735
Other expenditure	3 023	(1 310)	1 713	2 566	-	(853)			-	-	-	4 721
Total Expenditure	10 141	2 179	12 320	9 701	-	2 618	78.7%	95.7%	-	-	-	9 885
Surplus/(Deficit)	-	-	-	-	-	-	0.0%	0.0%				-
Transfers recognised - capital	-	-	-	-	-	-	0.0%	0.0%				-
Contributions recognised - capital & contributed assets	7 553	-	-	28 365		(28 365)	#DIV/0!	375.6%				-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	-	-	-	-				-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	0.0%	0.0%				-
Surplus/(Deficit) for the year	-	-	-	-	-	-	-	-				-
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital												
Public contributions & donations	2 720	13 833	16 553	-		16 553	0.0%	0.0%				-
Borrowing	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Internally generated funds	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Total sources of capital funds	4 833	(4 583)	250	-		250	0.0%	0.0%				-
Cash flows												
Net cash from (used) operating												
Net cash from (used) investing	6 353	14 866	21 220	14 845		6 375	70.0%	233.7%				19 326
Net cash from (used) financing	(7 553)	(9 250)	(16 803)	(14 670)		(2 133)	87.3%	194.2%				(22 648)
Cash/cash equivalents at the year end	(100)	(1)	(101)	(613)		512	607.0%	610.4%				(892)

KAMIESBERG - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2019/20								2018/19			
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
<i>Governance and administration</i>	48 573	10 050	58 623	55 985		-	0.0%	0.0%				54 637
Executive and council	-	-	-	39		-	0.0%	0.0%				44
Finance and administration	48 573	10 050	58 623	55 946		-	0.0%	0.0%				54 593
Internal audit	-	-	-	-		-	0.0%	0.0%				-
<i>Community and public safety</i>	622	0	623	1 424		-	0.0%	0.0%				1 300
Community and social services	615	(0)	615	1 424		-	0.0%	0.0%				1 295
Sport and recreation	7	0	8	-		-	0.0%	0.0%				5
Public safety	-	-	-	-		-	0.0%	0.0%				-
Housing	-	-	-	-		-	0.0%	0.0%				-
Health	-	-	-	-		-	0.0%	0.0%				-
<i>Economic and environmental services</i>	1 009	(0)	1 008	834		-	0.0%	0.0%				1 361
Planning and development	1 000	-	1 000	826		-	0.0%	0.0%				1 128
Road transport	9	(0)	8	8		-	0.0%	0.0%				233
Environmental protection	-	-	-	-		-	0.0%	0.0%				-
<i>Trading services</i>	19 251	2 500	21 751	20 063		-	0.0%	0.0%				24 457
Electricity	10 069	0	10 069	8 341		-	0.0%	0.0%				9 022
Water	4 934	2 500	7 434	7 996		-	0.0%	0.0%				11 811
Waste water management	2 042	0	2 042	1 785		-	0.0%	0.0%				1 768
Waste management	2 207	(0)	2 206	1 941		-	0.0%	0.0%				1 856
<i>Other</i>	-	-	-	-		-	0.0%	0.0%				-
Total Revenue - Standard	69 455	12 550	82 005	78 306		-	0.0%	0.0%				81 755
Expenditure - Standard												
<i>Governance and administration</i>	37 671	1 867	39 538	62 290	-	-	0.0%	0.0%	-	-	-	60 525
Executive and council	6 540	993	7 533	7 359	-	-	0.0%	0.0%	-	-	-	8 730
Finance and administration	31 131	874	32 005	54 931	-	-	0.0%	0.0%	-	-	-	51 795
Internal audit	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
<i>Community and public safety</i>	-	-	-	26	-	-	0.0%	0.0%	-	-	-	187
Community and social services	-	-	-	26	-	-	0.0%	0.0%	-	-	-	187
Sport and recreation	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Public safety	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Housing	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Health	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
<i>Economic and environmental services</i>	9 328	1 128	10 455	6 054	-	-	0.0%	0.0%	-	-	-	6 172
Planning and development	1 882	636	2 518	2 112	-	-	0.0%	0.0%	-	-	-	2 752
Road transport	7 446	491	7 937	3 942	-	-	0.0%	0.0%	-	-	-	3 420
Environmental protection	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
<i>Trading services</i>	32 739	(963)	31 776	24 859	-	-	0.0%	0.0%	-	-	-	22 728
Electricity	21 231	(1 366)	19 865	13 295	-	-	0.0%	0.0%	-	-	-	12 220
Water	5 317	(58)	5 259	4 123	-	-	0.0%	0.0%	-	-	-	3 528
Waste water management	174	26	200	796	-	-	0.0%	0.0%	-	-	-	772
Waste management	5 867	379	6 246	6 541	-	-	0.0%	0.0%	-	-	-	6 208
<i>Other</i>	150	57	207	103	-	-	0.0%	0.0%	-	-	-	-
Total Expenditure - Standard	79 737	2 032	81 769	93 230	-	-	0.0%	0.0%	-	-	-	89 611
Surplus/(Deficit) for the year	(10 283)	10 518	236	(14 924)	-	-	0.0%	0.0%	-	-	-	(7 856)

KAMIESBERG - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2019/20								2018/19			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - EXECUTIVE COUNCIL	-	-	-	39		(39)	0.0%	0.0%				44
Vote 2 - FINANCE AND ADMINISTRATION	49 188	9 435	58 623	57 372		1 251	0.0%	0.0%				54 593
Vote 3 - COMMUNITY AND SOCIAL SERVICES	-	615	615	1		614	0.0%	0.0%				1 295
Vote 4 - SPORT AND RECREATION	-	7	7	-		7	0.0%	0.0%				5
Vote 5 - WASTE MANAGEMENT	2 207	(0)	2 206	1 941		265	-	-				3 624
Vote 6 - WATER	4 934	2 500	7 433	7 996		(563)	-	-				11 811
Vote 7 - ELECTRICITY	10 069	(0)	10 069	8 341		1 728	-	-				9 022
Vote 8 - ECONOMIC AND SOCIAL DEVELOPMENT	1 007	(7)	1 000	826		175	-	-				1 128
Vote 9 - TECHNICAL AND ROADS	9	(0)	8	5		3	-	-				233
Vote 10 - WASTE WATER MANAGEMENT	2 042	(674)	1 368	1 785		(417)	-	-				-
Total Revenue by Vote	69 455	11 875	81 330	78 306		3 024	0.0%	0.0%				81 755
Expenditure by Vote to be appropriated												
Vote 1 - EXECUTIVE COUNCIL	6 540	992	7 532	7 359	327	-	0.0%	0.0%	-	-	-	8 730
Vote 2 - FINANCE AND ADMINISTRATION	31 131	874	32 005	54 957	25 302	-	0.0%	0.0%	-	-	-	51 795
Vote 3 - COMMUNITY AND SOCIAL SERVICES	-	-	-	-	-	-	0.0%	0.0%	-	-	-	187
Vote 4 - SPORT AND RECREATION	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Vote 5 - WASTE MANAGEMENT	5 867	379	6 246	6 541	696	-	0.0%	0.0%	-	-	-	6 980
Vote 6 - WATER	5 317	(59)	5 258	4 123	-	-	0.0%	0.0%	-	-	-	3 528
Vote 7 - ELECTRICITY	21 231	(1 366)	19 865	13 295	-	-	0.0%	0.0%	-	-	-	12 220
Vote 8 - ECONOMIC AND SOCIAL DEVELOPMENT	2 032	693	2 725	2 216	81	-	0.0%	0.0%	-	-	-	2 752
Vote 9 - TECHNICAL AND ROADS	7 446	492	7 938	3 942	-	-	0.0%	0.0%	-	-	-	3 420
Vote 10 - WASTE WATER MANAGEMENT	174	27	200	796	596	-	0.0%	0.0%	-	-	-	-
Total Expenditure by Vote	79 737	2 031	81 769	93 230	27 001	-	0.0%	0.0%	-	-	-	89 611
Surplus/(Deficit) for the year	(10 283)	9 844	(439)	(14 924)		-	0.0%	0.0%				

KAMIESBERG - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2019/20								2018/19			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	10 389	908	11 297	11 129		-	0.0%	0.0%				8 314
Service charges - electricity revenue	9 673	0	9 674	7 733		-	0.0%	0.0%				7 752
Service charges - water revenue	4 386	0	4 386	3 359		-	0.0%	0.0%				2 877
Service charges - sanitation revenue	1 817	(675)	1 142	1 443		-	0.0%	0.0%				1 470
Service charges - refuse revenue	1 764	0	1 764	1 313		-	0.0%	0.0%				1 315
Rental of facilities and equipment	190	(0)	190	89		-	0.0%	0.0%				104
Interest earned - external investments	12	142	153	195		-	0.0%	0.0%				412
Interest earned - outstanding debtors	4 306	0	4 307	8 121		-	0.0%	0.0%				6 711
Dividends received	-	-	-	-		-	0.0%	0.0%				-
Fines, penalties and forfeits	2	(0)	2	3		-	0.0%	0.0%				7
Licences and permits	2	(0)	1	0		-	0.0%	0.0%				229
Agency services	-	-	-	-		-	0.0%	0.0%				354
Transfers and subsidies	27 283	39	27 322	13 789		-	0.0%	0.0%				47 806
Other revenue	2 078	(0)	2 078	2 375		-	0.0%	0.0%				4 309
Gains on disposal of PPE	-	-	-	390		-	0.0%	0.0%				16
Total Revenue (excluding capital transfers and contributions)	61 902	414	62 316	49 940.360		-	0.0%	0.0%				81 677
Expenditure By Type												
Employee related costs	25 330	1 200	26 530	27 421	-	-	0.0%	0.0%	-	-	-	24 140
Remuneration of councillors	2 765	0	2 766	2 622	-	-	0.0%	0.0%	-	-	-	2 484
Debt impairment	8 131	0	8 132	16 430	-	-	0.0%	0.0%	-	-	-	14 267
Depreciation & asset impairment	16 860	0	16 860	18 521	-	-	0.0%	0.0%	-	-	-	18 257
Finance charges	1 455	(0)	1 455	4 340	-	-	0.0%	0.0%	-	-	-	3 396
Bulk purchases	12 032	-	12 032	11 373	-	-	0.0%	0.0%	-	-	-	9 339
Other materials	2 107	1 316	3 422	2 792	-	-	0.0%	0.0%	-	-	-	1 766
Contracted services	3 023	(1 310)	1 713	2 566	-	-	0.0%	0.0%	-	-	-	4 721
Transfers and grants	-	-	-	-	-	-	0.0%	0.0%	-	-	-	20
Other expenditure	8 034	863	8 897	6 909	-	-	0.0%	0.0%	-	-	-	8 099
Loss on disposal of PPE	-	-	-	255	-	-	0.0%	0.0%	-	-	-	3 043
Total Expenditure	79 737	2 070	81 808	93 229.635	-	-	0.0%	0.0%	-	-	-	89 533
Surplus/(Deficit)	(17 836)	(1 656)	(19 492)	(43 289)		-	0.0%	0.0%				(7 856)
Transfers recognised - capital	7 553	9 000	-	28 365		-	0.0%	0.0%				-
Contributions recognised - capital	-	-	-	-		-	0.0%	0.0%				-
Contributed assets	-	-	-	-		-	0.0%	0.0%				-
Surplus/(Deficit) after capital transfers & contributions	(10 283)	7 344	(19 492)	(14 924)		-	0.0%	0.0%				(7 856)
Taxation	-	-	-	-		-	0.0%	0.0%				-
Surplus/(Deficit) after taxation	(10 283)	7 344	(19 492)	(14 924)		-	0.0%	0.0%				(7 856)
Attributable to minorities	-	-	-	-		-	0.0%	0.0%				-
Surplus/(Deficit) attributable to municipality	(10 283)	7 344	(19 492)	(14 924)		-	0.0%	0.0%				(7 856)
Share of surplus/ (deficit) of associate	-	-	-	-		-	0.0%	0.0%				-
Surplus/(Deficit) for the year	(10 283)	7 344	(19 492)	(14 924)		-	0.0%	0.0%				(7 856)

KAMIESBERG - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2019/20								2019/20			
	Original Budget	Total Budget Adjustments (I.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - EXECUTIVE COUNCIL	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 2 - FINANCE AND ADMINISTRATION	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 3 - COMMUNITY AND SOCIAL SERVICES	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 4 - SPORT AND RECREATION	2 720	(2 720)	-	-	-	-	0%	0%	-	-	-	-
Vote 5 - WASTE MANAGEMENT	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 6 - WATER	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 7 - ELECTRICITY	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 8 - ECONOMIC AND SOCIAL DEVELOPMENT	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 9 - TECHNICAL AND ROADS	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 10 - WASTE WATER MANAGEMENT	-	-	-	-	-	-	0%	0%	-	-	-	-
Capital multi-year expenditure	2 720	(2 720)	-	-	-	-	0%	0%	-	-	-	-
Single-year expenditure												
Vote 1 - EXECUTIVE COUNCIL	-	45	45	253	-	-	0%	0%	-	-	-	-
Vote 2 - FINANCE AND ADMINISTRATION	-	205	205	170	-	-	0%	0%	-	-	-	-
Vote 3 - COMMUNITY AND SOCIAL SERVICES	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 4 - SPORT AND RECREATION	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 5 - WASTE MANAGEMENT	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 6 - WATER	4 833	11 720	16 553	14 329	-	-	0%	0%	-	-	-	-
Vote 7 - ELECTRICITY	-	-	-	320	-	-	0%	0%	-	-	-	-
Vote 8 - ECONOMIC AND SOCIAL DEVELOPMENT	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 9 - TECHNICAL AND ROADS	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 10 - WASTE WATER MANAGEMENT	-	-	-	-	-	-	0%	0%	-	-	-	-
Capital single-year expenditure	4 833	11 970	16 803	15 071	-	-	0%	0%	-	-	-	-
Total Capital Expenditure - Vote	7 553	9 250	16 803	15 071	-	-	0%	0%	-	-	-	-
Capital Expenditure - Standard												
<i>Governance and administration</i>	-	250	250	-	-	-	0%	0%	-	-	-	-
Executive and council	-	45	45	-	-	-	0%	0%	-	-	-	-
Finance and administration	-	205	205	-	-	-	0%	0%	-	-	-	-
Internal audit	-	-	-	-	-	-	0%	0%	-	-	-	-
<i>Community and public safety</i>	2 720	(2 720)	-	-	-	-	0%	0%	-	-	-	-
Community and social services	-	-	-	-	-	-	0%	0%	-	-	-	-
Sport and recreation	2 720	(2 720)	-	-	-	-	0%	0%	-	-	-	-
Public safety	-	-	-	-	-	-	0%	0%	-	-	-	-
Housing	-	-	-	-	-	-	0%	0%	-	-	-	-
Health	-	-	-	-	-	-	0%	0%	-	-	-	-
<i>Economic and environmental services</i>	-	-	-	-	-	-	0%	0%	-	-	-	-
Planning and development	-	-	-	-	-	-	0%	0%	-	-	-	-
Road transport	-	-	-	-	-	-	0%	0%	-	-	-	-
Environmental protection	-	-	-	-	-	-	0%	0%	-	-	-	-
<i>Trading services</i>	4 833	11 720	16 553	-	-	-	0%	0%	-	-	-	-
Electricity	-	-	-	-	-	-	0%	0%	-	-	-	-
Water	4 833	11 720	16 553	-	-	-	0%	0%	-	-	-	-
Waste water management	-	-	-	-	-	-	0%	0%	-	-	-	-
Waste management	-	-	-	-	-	-	0%	0%	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	0%	0%	-	-	-	-
Total Capital Expenditure - Standard	7 553	9 250	16 803	-	-	-	0%	0%	-	-	-	-
Funded by:												
National Government	2 720	13 833	16 553	-	-	-	0%	0%	-	-	-	-
Provincial Government	-	-	-	-	-	-	0%	0%	-	-	-	-
District Municipality	-	-	-	-	-	-	0%	0%	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	0%	0%	-	-	-	-
Transfers recognised - capital	2 720	13 833	16 553	-	-	-	0%	0%	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	0%	0%	-	-	-	-
Borrowing	-	-	-	-	-	-	0%	0%	-	-	-	-
Internally generated funds	4 833	(4 583)	250	-	-	-	0%	0%	-	-	-	-
Total Capital Funding	7 553	9 250	16 803	-	-	-	0%	0%	-	-	-	-

KAMIESBERG - Reconciliation of Table A7 Budgeted Cash Flows

Description R thousand	2019/20							2018/19
	Original Budget	Budget Adjustments (i.l.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, penalties and collection charges	7 792	282	8 073	1 040	7 033	12.9%	13.3%	109
Service charges	16 426	(883)	15 543	2 665	12 877	17.1%	16.2%	1 685
Other revenue	2 532	(261)	2 271	2 075	196	91.4%	82.0%	4 732
Government - operating	27 283	39	27 322	24 651	2 671	90.2%	90.4%	35 425
Government - capital	7 553	9 000	16 553	18 955	(2 402)	114.5%	251.0%	13 180
Interest	12	142	154	8 316	(8 163)	5411.6%	71434.9%	7 124
Dividends	-	-	-	-	-			-
Payments								
Suppliers and employees	(53 775)	6 534	(47 241)	(40 190)	(7 051)	85.1%	74.7%	(41 203)
Finance charges	(1 468)	13	(1 455)	(2 668)	1 213			(1 727)
Transfers and Grants	-	-	-	-	-			-
NET CASH FROM/(USED) OPERATING ACTIVITIES	6 353	14 866	21 220	14 845	6 375	70.0%	233.7%	19 326
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-			-
Decrease (Increase) in non-current debtors	-	-	-	-	-	# DIV/0!	# DIV/0!	-
Decrease (increase) other non-current receivables	-	-	-	-	-			-
Decrease (increase) in non-current investments	-	-	-	-	-			-
Payments								
Capital assets	(7 553)	(9 250)	(16 803)	(14 670)	(2 133)	87.3%	194.2%	(22 648)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(7 553)	(9 250)	(16 803)	(14 670)	-	0.0%	0.0%	(22 648)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-			-
Borrowing long term/refinancing	-	-	-	-	-			19
Increase (decrease) in consumer deposits	76	(0)	76	9	67	12.3%	12.3%	11
Payments								
Repayment of borrowing	(177)	(0)	(177)	(622)	445			(923)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(100)	(1)	(101)	(613)	512	607.0%	610.4%	(892)
NET INCREASE/ (DECREASE) IN CASH HELD	(1 300)	5 616	4 316	(438)				(4 214)
Cash/cash equivalents at the year begin:	8 576	(6 123)	2 453	2 453				6 668
Cash/cash equivalents at the year end:	7 276	(507)	6 769	2 016	4 753	29.8%	27.7%	2 453